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ACTS
OF THE
PARLIAMENT
OF THE
DOMINION OF CANADA

PASSED IN THE SESSION HELD IN THE
FOURTH AND FIFTH YEARS OF THE REIGN OF HIS MAJESTY
KING EDWARD VII.

BEING THE
FIRST SESSION OF THE TENTH PARLIAMENT

*Begun and holden at Ottawa, on the Eleventh day of January, and closed
by Prorogation on the Twentieth day of July, 1905*



HIS EXCELLENCY THE
RIGHT HONOURABLE SIR ALBERT HENRY GEORGE, EARL GREY
GOVERNOR GENERAL

VOL. II.
LOCAL AND PRIVATE ACTS

OTTAWA
PRINTED BY SAMUEL EDWARD DAWSON
LAW PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
ANNO DOMINI 1905





4-5 EDWARD VII.

CHAP. 50.

An Act respecting the Canada Atlantic Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Canada Atlantic Railway Company has by Preamble.
its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Subject to the reservation of the rights, powers and remedies of holders of outstanding bonds in section 3 of this Act contained, section 3 of chapter 90 of the statutes of 1903 is repealed, and in lieu thereof it is enacted that the Canada Atlantic Railway Company, hereinafter called “the Company,” may issue bonds, debentures or other securities, dated the first of January, one thousand nine hundred and five, to the extent of three million two hundred and ninety-two thousand two hundred pounds sterling, to be secured upon its line of railway, and such bonds, debentures or other securities, with interest from that date, shall, subject to the provisions of *The Railway Act*, 1903, and to the present charge in favour of all outstanding bonds of the Canada Atlantic Railway Company and of the Ottawa, Arnprior and Parry Sound Railway Company, respectively, until the said bonds are redeemed, exchanged or paid off, be a first charge or lien upon the whole of the property, assets, rents and revenues of the Company, present or future, or both, as shall be described in the mortgage deed to be given to secure the said bonds, other than such assets, property, rents or revenues of the Company, or such section or portion of the said railway, if any, as shall be expressly excepted in and by the said mortgage deed.

1903, c. 90, s. 3 repealed.

Issue of securities subject to existing bonds.

2. The said bonds, debentures or other securities when issued shall be secured by a mortgage to a trustee, and shall be dealt with and applied as in the said mortgage provided.

To be secured by mortgage.

Rights of holders of existing bonds preserved.

When existing bonds may be cancelled.

3. All the rights, powers and remedies of the holders of the outstanding bonds issued by the Canada Atlantic Railway Company and by the Ottawa, Arnprior and Parry Sound Railway Company, respectively, shall, until redemption, exchange or payment thereof, continue and be preserved to such holders and for their benefit under the mortgage to be executed by the Company to secure the bonds, debentures or other securities, hereby authorized to be issued ; and whenever and so soon as the said outstanding bonds shall, from time to time, be paid, exchanged, redeemed or surrendered to the trustee of the said mortgage, then such bond or bonds shall thereupon by the said trustee be cancelled and defaced, and delivered by the trustee to the Company, and any mortgage or mortgages given to secure the said outstanding bonds shall be released and discharged.

OTTAWA : Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 51.

An Act respecting the Alberta Central Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Alberta Central Railway Company has Preamble.
by its petition prayed that it be enacted as hereinafter 1901, c. 44.
set forth, and it is expedient to grant the prayer of the said
petition : Therefore His Majesty, by and with the advice and 1903, c. 75.
consent of the Senate and House of Commons of Canada, enacts
as follows :—

1. The construction of the railway of the Alberta Central Railway Company may be commenced and fifteen per cent on the amount of the capital stock expended thereon within two years after the twenty-third day of May, one thousand nine hundred and five, and the railway finished and put in operation within five years after the twenty-third day of May, one thousand nine hundred and five ; and if the railway is not so commenced and such expenditure is not so made or if the railway is not finished and put in operation within the said respective periods, the powers granted to the said Company by Parliament shall cease and be null and void as respects so much of the railway as then remains uncompleted. Time for construction of railway extended.

2. Section 1 of chapter 75 of the statutes of 1903 is repealed. 1903, c. 75, s. 1 repealed.

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4-5 EDWARD VII.

CHAP. 52.

An Act respecting the Alberta Railway and Irrigation Company.

[Assented to 7th June, 1905.]

WHEREAS the Alberta Railway and Irrigation Company Preamble.
has, by its petition, prayed that it be enacted as herein-
after set forth, and it is expedient to grant the prayer of the 1904, c. 43.
said petition: Therefore His Majesty, by and with the advice
and consent of the Senate and House of Commons of Canada,
enacts as follows :—

1. Subject to the provisions of sections 281 to 283, both Agreement with Western Alberta Ry. Co.
inclusive, of *The Railway Act, 1903*, the Alberta Railway and
Irrigation Company may enter into an agreement with the
Western Alberta Railway Company for purchasing or leasing
from that company its railway and undertaking, in whole or in
part, and also its rights, franchises, powers, privileges, assets
and properties, real and personal, or for an amalgamation with
the said company under the name of the Alberta Railway and
Irrigation Company.

OTTAWA: Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's
most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 53.

An Act respecting the Algoma Central and Hudson Bay Railway Company.

[Assented to 20th July, 1905.]

WHEREAS the Algoma Central and Hudson Bay Railway Company and the Algoma Commercial Company, Limited, have by their petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition : Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

Preamble.
1899, c. 50 ;
1900, c. 49 ;
1901, c. 46 ;
1902, c. 38.

1. The time limited for completing the railway of the Algoma Central and Hudson Bay Railway Company, hereinafter called "the Company," authorized by chapter 50 of the statutes of 1899, as amended by chapter 49 of the statutes of 1900, is extended for five years from the passing of this Act, and if the railway is not completed before the said date the powers of construction conferred upon the Company by Parliament shall cease and be null and void as respects so much of the railway as then remains uncompleted.

Time extended for completion of undertaking.

2. The railway of the Company authorized by chapter 46 of the statutes of 1901 shall be commenced within two years and finished and put in operation within five years after the passing of this Act, otherwise the powers of constructing the said railway shall cease and be null and void as respects so much of the said railway as then remains uncompleted.

Time extended for construction of railway to James Bay.

2. Notwithstanding the limitation of time for the commencement of the said railway, all the powers conferred upon the Company by chapter 46 of the statutes of 1901 shall apply to the Company and to its undertaking and be in full force and effect.

Application of 1901, c. 46.

3. The agreement, a certified copy of which is set out in schedule A to this Act, made between the Company and the Algoma Commercial Company in

Agreement with Algoma Commercial Company in

schedule A confirmed.

Proviso.

Algoma Commercial Company, Limited, dated the second day of January, one thousand nine hundred and three, is hereby confirmed and declared to be valid and binding upon the parties thereto according to the terms thereof: Provided that nothing in the said agreement shall be deemed to affect any subsidy contract entered into between His Majesty and the Company.

First mortgage bonds and mortgage in schedule B confirmed.

4. The first mortgage bonds issued by the Company, and transferred to the Algoma Commercial Company, Limited, or its assigns, pursuant to the terms of the said agreement, are hereby declared to be valid and binding upon the Company, and the mortgage set out in schedule B to this Act, made between the Company and the Central Trust Company of New York, dated the first day of January, one thousand nine hundred and three, to secure the due payment of the said first mortgage bonds, is hereby declared to be valid and binding upon the parties thereto according to the terms thereof, and may be enforced as therein provided as fully and effectually as if the said terms were embodied in this Act.

Agreement in schedule C confirmed.

5. The agreement set out in schedule C to this Act, made between the Company and the Algoma Commercial Company, Limited, dated the second day of January, one thousand nine hundred and three, is hereby declared to be valid and binding upon the parties thereto according to the terms thereof.

1901, c. 46, s. 2 amended.

6. Section 2 of chapter 46 of the statutes of 1901 is amended by inserting after the words "Western Railways Company," in the third line thereof, the words "the Canada Central Railway Company."

SCHEDULE A.

An agreement made the second day of January, 1903, between the Algoma Central and Hudson Bay Railway Company, hereinafter called the Railway Company, of the one part, and the Algoma Commercial Company, Limited, a corporation organized under the laws of the Province of Ontario in the Dominion of Canada, hereinafter called the Commercial Company, of the other part:

The Railway Company has been created and organized under the laws of the Province of Ontario in the Dominion of Canada, and is a corporation validly existing under said laws. The Railway Company has been so organized with an authorized capital stock of \$10,000,000, all of which has been issued fully paid, and is non-assessable. The Railway Company is entitled, upon fulfilment of the terms and conditions thereof,

to a grant from the Province of Ontario of 7,400 acres of land for each mile of railway constructed by it, and is further entitled from the Dominion of Canada to a cash subsidy of \$6,400 per mile of road so constructed.

By an agreement bearing date the 1st day of February, 1900, between the Railway Company, of the one part, and the Commercial Company, of the other part, to which reference is made for its contents, and which is hereinafter called the construction contract, the Railway Company agreed, in consideration of the construction and equipment by the Commercial Company of its line of railway, to deliver, transfer and pay to the Commercial Company,

- (a.) the entire capital stock of the Railway Company;
- (b.) the land grant of the Railway Company;
- (c.) the cash subsidy to be received by the Railway Company from the Dominion of Canada to the extent of \$3,200 per mile of road constructed.

By its charter the Railway Company is entitled to create mortgage indebtedness to the amount of \$30,000 per mile of its line of railway constructed or under contract for construction.

It is desired to modify the construction contract as hereinafter set forth.

For a valuable consideration it is agreed as follows:

First. The obligation of the Railway Company under the construction contract to transfer and convey to the Commercial company the land grant to which the Railway Company is or may become entitled, is waived.

Second. The Railway Company will on or before the 15th day of February, 1903, take all proper corporate action necessary for the issue of its first mortgage five per cent thirty-year gold bonds, and for the execution and delivery of a proper mortgage and deed of trust securing said bonds as a first lien on the lines of railway of the Railway Company, now owned or hereafter acquired, constructed or to be constructed, on the appurtenant property, equipment, franchises and revenues, and on said land grant of the Railway Company. Said bonds shall be for \$1,000 each, in coupon form, with privilege of registration as to principal, shall bear interest from January 1st, 1903, at the rate of five per cent per annum, payable semi-annually on the first days of July and January in each year, shall mature on the first day of January, 1933, shall be payable, both as to principal and interest, at the office or agency of the Railway Company in the city of New York, in United States gold coin of or equal to the present standard of weight and fineness, free of tax, and shall be redeemable at the option of the Railway Company, at par, on any half-yearly interest day on thirty days' notice.

Said first mortgage bonds shall be issued under a mortgage and deed of trust to such trust company in the city of New York as the Commercial Company may designate, and shall

be secured as a first charge on the lines of railway of the Railway Company owned or hereafter to be acquired, constructed or to be constructed, on the appurtenant property, equipment, franchises and revenues and on said land grant. The form of said first mortgage and of said first mortgage bonds shall be subject to the approval of the Commercial Company, and said first mortgage and said first mortgage bonds shall contain such provisions as the Commercial Company may reasonably require. Said bonds shall be limited to the aggregate principal amount of \$6,750,000, and to \$30,000 per mile of railway of the Railway Company, at the time of issue constructed or under contract for construction.

Third. The Railway Company will

(a.) on or before the 15th day of February, 1903, having first taken the corporate action called for by the next preceding article of this agreement, deliver to the Commercial Company, or on its order, said first mortgage bonds of the Railway Company to an amount equal to \$30,000 per mile of railway of the Railway Company on January 1st, 1903, constructed or under contract for construction, to wit: said first mortgage bonds to the face amount of \$6,750,000;

(b.) from time to time as additional first mortgage bonds of the Railway Company shall become issuable and be issued in respect of road thereafter constructed deliver to the Commercial Company, or on its order, all said bonds, forthwith on the issue thereof;

(c.) pay to the Commercial Company the subsidy stipulated to be paid to the Railway Company by the Government of the Dominion of Canada, to the extent of \$3,200 in cash per mile of road constructed, such payment to be made by the Railway Company immediately on the receipt by it of such subsidy from the Government of the Dominion of Canada.

All first mortgage bonds delivered by the Railway Company to the Commercial Company shall be so delivered without recourse to the Commercial Company:

Fourth. Said first mortgage bonds of the Railway Company to be delivered under this agreement, and otherwise the rights of the Commercial Company under this agreement, may presently be assigned by the Commercial Company, and for any breach of this agreement by the Commercial Company, the remedy shall be in damages only.

Fifth. This agreement is made for the sole and exclusive benefit of the parties hereto and their successors, and shall not be construed to create any trust or obligation in favour of any other person, firm or corporation than the parties hereto and their successors.

In witness whereof each of the parties has caused its corporate seal to be hereunto affixed and this agreement to be

signed in its corporate name and on its behalf by its president or a vice-president, and by its secretary or an assistant secretary the day and year first above written.

THE ALGOMA CENTRAL AND HUDSON BAY
RAILWAY COMPANY,

by

President.

Secretary.

THE ALGOMA COMMERCIAL COMPANY, LIMITED,

by

President.

Secretary.

SCHEDULE B.

This indenture, dated the first day of January, in the year one thousand nine hundred and three, made by and between The Algoma Central and Hudson Bay Railway Company, hereinafter called the Railway Company, of the first part, and Central Trust Company of New York, a corporation duly created and existing under and by virtue of the laws of the State of New York, hereinafter called the Trustee, of the second part :

Whereas the Railway Company was incorporated by Act of the Parliament of the Dominion of Canada, 62-63 Victoria, chapter 50 (1899), under the name of Algoma Central Railway Company, and under said Act and the Act 63-64 Victoria, chapter 49 (1900) is empowered to lay out, construct and operate a railway from a point at or near the town of Sault Ste. Marie, in the district of Algoma, on the St. Mary River, to a point between Magpie and the Michipicoten Rivers, and thence to the main line of the Canadian Pacific Railway, and southerly to Michipicoten Harbour upon Lake Superior ; and

Whereas by Act of the Parliament of the Dominion of Canada, 1 Edward VII., chapter 46 (1901), the name of the Railway Company was changed from Algoma Central Railway Company to The Algoma Central and Hudson Bay Railway Company, and by said Act the Railway Company was given additional power to lay out, construct and operate a railway from a point on the main line of the Canadian Pacific Railway, thence in a general direction northerly to some point on James Bay, not further north than Equam River ; the said line to be an extension of the line of railway which the Railway Company is authorized to build by the Acts relating to the Railway Company ; and

Whereas, under and by virtue of Act of the Legislature of Ontario, being chapter 30 of the statutes of Ontario, 63 Victoria (1899), it is provided that the Lieutenant-Governor-in-Council may set apart out of the ungranted lands of Ontario, and grant to the Railway Company 7,400 acres of land per mile of the Company's line of railway from a point at or near the town of Sault Ste. Marie to a point on the main line of the Canadian Pacific Railway between Dalton and White River Stations, being a distance of about one hundred and fifty miles, and from Michipicoten Harbour in an easterly direction intersecting the said line, a distance of about fifty miles; and

Whereas the shareholders of the Railway Company at a special general meeting, called in the manner approved by the Railway Act, have authorized the directors of the Railway Company to issue its bonds, to be known as its First Mortgage Five Per Cent Thirty-Year Gold Bonds, to be limited to the aggregate principal amount at any one time outstanding of \$6,750,000 and to \$30,000 per mile of railway of the Railway Company at the time of issue constructed or under contract for construction, to be of the denomination of \$1,000 each, in coupon form, with the privilege of registration as to principal, to bear interest from the first day of January, 1903, at the rate of five per cent per annum, payable semi-annually on the first days of July and January in each year, to mature on the first day of January, 1933, and to be payable, both as to principal and interest, at the office or agency of the Railway Company in the city of New York, in the State of New York, in the United States of America, in gold coin of said United States of or equal to the present standard of weight and fineness, free of tax, and to be redeemable at the option of the Railway Company at par on any half-yearly interest day on thirty days' notice; and

Whereas for the purposes aforesaid, and in further pursuance of said resolutions of its board of directors and of its shareholders, the Railway Company, in order to secure the payment of said first mortgage five per cent thirty-year gold bonds, has determined to execute and to deliver a mortgage and deed of trust on and of said lines of railroad hereinafter described, owned or to be acquired, constructed or to be constructed, and on and of the appurtenant property, equipment and franchises, and on and of all other railroads and all property of every character owned by the Railway Company at the time of the execution and delivery of this indenture and at any time thereafter by it acquired, including said land grant of the Railway Company, and on and of the revenues of the mortgaged premises; and

Whereas said resolutions of the shareholders of the Railway Company were adopted and passed by the unanimous vote of holders of the entire capital stock of the Railway Company at a special general meeting of said holders held at Sault Ste. Marie, Ontario, on the 10th day of February, 1903,

pursuant to resolutions of the board of directors of the Railway Company calling such meeting, and pursuant to notice duly given by publication in accordance with the provisions of the Railway Act of Canada ; and

Whereas the bonds so to be issued are to be substantially in the following form :

DOMINION OF CANADA.

PROVINCE OF ONTARIO.

No. \$1,000

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY.

First Mortgage Five Per Cent Thirty-Year Gold Bond.

The Algoma Central and Hudson Bay Railway Company, hereinafter called the Railway Company, for value received, promises to pay to bearer, or, if this bond be registered, to the registered holder hereof, the sum of one thousand dollars, in gold coin of the United States of America, of or equal to the present standard of weight and fineness, on the first day of January, 1933, at the office or agency of the Railway Company in the City of New York, in the State of New York, in the United States of America, and to pay interest thereon from the first day of January, 1903, at the rate of five per centum per annum, payable at said office or agency, in like gold coin, semi-annually, on the first days of July and January in each year, upon presentation and surrender of the interest coupons hereto annexed, as they severally mature. Both the principal and interest of this bond are payable without deduction for any tax or taxes which the Railway Company may be required to pay thereon or retain therefrom under any present or future law of the Dominion of Canada or of any province or municipality thereof, or of the United States of America or of any state, county or municipality thereof.

This bond is one of a series of coupon bonds of the Railway Company, known as its First Mortgage Five Per Cent Thirty-Year Gold Bonds, limited to the principal amount of \$6,750,000 at any one time outstanding, and to \$30,000 per mile of railway of the Railway Company at the time of issue constructed or under contract for construction, all of like tenor, date and amount, numbered from one consecutively upward, and all issued and to be issued under and equally secured by a mortgage and deed of trust, dated January 1, 1903, executed by the Railway Company to Central Trust Company of New York, as trustee. For a description of the properties and franchises mortgaged, the nature and extent of the security, the rights of the holders of bonds, and the terms and conditions upon which the bonds may be issued and are secured, reference is made to said mortgage and deed of trust.

The bonds of this issue are subject to payment, at par and accrued interest, at the option of the Railway Company, on

any half-yearly interest day on thirty days' notice, as provided in said mortgage and deed of trust. They are entitled to the benefits of the sinking fund created under said mortgage and deed of trust and are subject to redemption for the purpose thereof at a premium of five per cent.

This bond shall pass by delivery unless registered in the name of the owner on the books of the Railway Company, such registry being noted on the bond by the Railway Company. After such registry, no transfer shall be valid unless made on said books by the registered holder in person, or by his attorney duly authorized in writing, and similarly noted on the bond, but the same may be discharged from registry by a transfer thereon to bearer and thereupon transferability by delivery shall be restored; but this bond may again, from time to time, be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons, which shall continue to be transferable by delivery.

If the Railway Company shall make default in the payment of the principal of this bond or of the interest thereon when and as the same by the terms hereof or of said mortgage and trust deed securing this bond shall become due and payable, then at the next annual general meeting of the Railway Company and at all subsequent meetings the registered holder of this bond, the Railway Company so being and remaining in default, shall in respect of this bond have and possess the same right and privilege and qualification for being elected a director and voting at general meetings as would attach to him as a shareholder if he held fully paid up shares in the Railway Company to an amount corresponding to the amount then due upon this bond, but subject to the provisions of the Railway Act.

This bond shall not be valid or become obligatory for any purpose until it shall have been authenticated by the certificate of the trustee under said mortgage and deed of trust hereon endorsed.

In witness whereof The Algoma Central and Hudson Bay Railway Company has caused this bond to be signed by its president or one of its vice-presidents, and its corporate seal to be hereunto affixed and to be attested by its secretary or an assistant-secretary, and coupons for said interests, with the engraved signature of its treasurer, to be attached hereto, as of the first day of January, 1903.

THE ALGOMA CENTRAL AND HUDSON BAY
RAILWAY COMPANY,

by

President.

Attest:

Secretary.

[FORM OF INTEREST COUPON.]

No.

\$25.

On the first day of _____, 19____, unless the bond hereinafter mentioned shall theretofore have been redeemed, The Algoma Central and Hudson Bay Railway Company will pay to bearer, at its office or agency in the city of New York, N.Y., U.S.A., twenty-five dollars, United States gold coin, being six months' interest then due on its First Mortgage Five Per Cent Thirty-Year Gold Bond No. _____.

Treasurer.

[FORM OF TRUSTEE'S CERTIFICATE.]

This is to certify that this bond is one of the bonds described in the within-mentioned mortgage and deed of trust.

CENTRAL TRUST COMPANY OF NEW YORK.

by

Vice-President.

Now, therefore, this indenture witnesseth, that in consideration of the premises and in order to secure the payment of all said bonds, which are hereinafter called first mortgage bonds at any time issued and outstanding under this indenture, according to their tenor, purport and effect, as well the interest as the principal thereof, and to secure the performance and observance of all the covenants and conditions therein and herein contained, and to declare the terms and conditions upon which the first mortgage bonds are issued, received and held, and for and in consideration of the premises and of the acceptance or purchase of the first mortgage bonds by the holders thereof, and of the sum of one hundred dollars, lawful money, to it duly paid by the Trustee at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, the Railway Company hath granted, bargained, sold, released, conveyed, confirmed, assigned, transferred and set over, and by these presents doth grant, bargain, sell, release, convey, confirm, assign, transfer and set over unto the Trustee, its successors in the trust and its and their assigns for ever :

All and singular the line of railroad of the Railway Company, constructed and to be constructed, now owned and hereafter to be acquired, extending from a point at or near the town of Sault Ste. Marie in the District of Algoma on the St. Mary River to a point between the Magpie and Michipicoten Rivers; thence to the main line of the Canadian Pacific Railway, and southerly to Michipicoten Harbour upon Lake Superior, and from a point on the main line of the Canadian Pacific Railway, thence in a general direction northerly, to some point on James Bay not further north than Equam River;

All other railroads which the Railway Company now owns, or which it may at any time hereafter acquire, and also all the estate, right, title and interest of the Railway Company in and to all other railroads in which the Railway Company now has, or may hereafter acquire, a right, title or interest, whether leasehold or by operating contract, or by the acquisition of shares of stock in the companies owning the same or the obligations of such companies, or otherwise howsoever, subject, however, as to any railroads or interests therein hereafter acquired, to any liens thereon at the time of such acquisition thereof by the Railway Company and to any purchase money liens thereon created in the acquisition thereof;

All telegraph and telephone lines, including all poles, wires and instruments; all rights of way, stations and depot grounds; all tunnels, road-beds, spurs, sidings, double tracks, turnouts, switches and turntables; all superstructures, bridges, stringers, ties, rails and frogs, chairs, bolts, splices and other railroad appurtenances; all station houses, warehouses, elevators, docks, wharfs, harbours, freight houses, engine houses, car houses, water stations, water tanks, machine shops and other structures; all engines, tenders, cars and other rolling stock and equipment; all furniture, machinery, tools and implements; all materials and supplies; all leases, operating, trackage and traffic agreements; all plans, profiles, specifications, books, title deeds, assurances, contracts, papers and documents; the interest of the Railway Company as the hirer or tenant of any property, real or personal; and all property, real, personal and mixed, of every character (other than vessels and steamships) which the Railway Company now owns or which it may hereafter acquire;

Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity, of the Railway Company, of, in and to the above described premises and property, and every part and parcel thereof with the appurtenances, and all franchises of the Railway Company appertaining to the lines of railroad above described, and at any

time subject to the lien of this indenture or hereafter to appertain thereto;

II.

All and singular the said land grant and all lands which have been or may hereafter be granted, conveyed or patented to the Railway Company or to which the Railway Company may be entitled under and by virtue of the provisions of the said Statute of the Province of Ontario, chapter 30, 63 Victoria (1899), or any Statute or Act that has been or may be passed amending, altering or varying the same, and all right, title and interest which the Railway Company now has or may at any time hereafter have to ask for, demand, take and receive the said lands or any part or parts thereof, a conveyance or patent or a transfer of the same or any part or parts thereof and all rights, claims and demands of every nature and kind whatsoever which the Railway Company now has or at any time hereafter has or may or could or might have under and by virtue of the provisions of the said Statute or any future Statute amending, altering or varying the same, or under the provisions of any contract or agreement with the said Government of the Province of Ontario, and all the rents, issues and profits thereof, and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, which the Railway Company now has or is entitled to or shall or may hereafter acquire into or concerning the said lands and land grant and all and every part or parcel thereof, with the appurtenances thereto, with the exception, however, of any of the said lands which are or shall be used in the construction of the railway and any branches or extensions thereof, or for the operation thereof, and for the telegraph line or lines of the Railway Company, or for roadway, track, yard, depot, grounds, buildings, wharfs, docks or other erections appertaining thereto;

III.

The undertaking of the Railway Company and all tolls, revenues, earnings, income, rents, issues and profits and assets (other than vessels and steamships) of the Railway Company, present and future, and of all property at any time subject to this indenture;

To have and to hold all and singular the said railroads, equipment, franchises, rents, revenues, assets and property unto the Trustee, its successors in the trust, and its and their assigns for ever;

But in trust, nevertheless, for the common and equal use, benefit and security of all and singular the person or persons, firm or firms, bodies politic or corporate, who shall from time to time be holders of any of the first mortgage bonds or cou-

pons, and without preference of any of said bonds over any of the others by reason of priority in the time of issue or negotiation thereof, or otherwise howsoever; subject to the terms, provisions and stipulations in the first mortgage bonds contained, and for the uses and purposes and upon and subject to the terms, conditions, provisos and agreements hereinafter expressed and declared:

ARTICLE ONE.

Sec. 1. The first mortgage bonds shall be executed on behalf of the Railway Company, and delivered to the Trustee for authentication by it. In case the officers who shall have signed and sealed any of the said bonds shall cease to be such officers of the Railway Company before the bonds so signed and sealed shall have been actually authenticated and delivered by the Trustee, such bonds may, nevertheless, be adopted by the Railway Company, and be issued, authenticated and delivered, as though the persons who signed and sealed such bonds had not ceased to be officers of the Railway Company. The coupons to be attached to such bonds shall be authenticated by the engraved signature of the present treasurer or any future treasurer of the Railway Company, and the Railway Company may adopt and use for that purpose the engraved signature of any person who shall have been such treasurer notwithstanding the fact that he may have ceased to be such treasurer at the time when such bonds shall be actually authenticated and delivered. Only such bonds as shall bear thereon endorsed a certificate substantially in the form hereinbefore recited, executed by the Trustee, shall be secured by this indenture or entitled to any lien, right or benefit hereunder; and such certificate of the Trustee upon any such bond executed on behalf of the Railway Company shall be conclusive evidence that the bond so authenticated has been duly delivered to the Railway Company or upon its order in accordance with provisions of this indenture. Before authenticating or delivering any first mortgage bond, all coupons thereon, then matured, shall be cut off, cancelled and delivered to the Railway Company. The Railway Company and the Trustee may deem and treat the bearer of any first mortgage bond which shall not at the time be registered as hereinafter authorized, and the bearer of any coupon for interest on any first mortgage bond, whether such bond shall be registered or not, as the absolute owner of such bond or coupon for the purpose of receiving payment thereof and for all other purposes whatsoever, and the Railway Company and the Trustee shall not be affected by any notice to the contrary.

Sec. 2. The Railway Company will keep, at an office or agency to be maintained by it in the Borough of Manhattan, in the City of New York, in the State of New York, U.S.A., or at some bank or trust company in said borough of said city,

a sufficient register or registers of the first mortgage bonds, which shall at all reasonable times be open for inspection by the Trustee; and, upon presentation for such purpose, the Railway Company will, under such reasonable regulations as it may prescribe, register therein any first mortgage bonds. The holder of any first mortgage bond may have the ownership thereof registered on said books, such registry being noted on the bond, after which no transfer shall be valid unless made on said books by the registered holder in person, or by his attorney duly authorized in writing, and noted on the bond; but the same may be discharged from registry by being in like manner transferred thereon to bearer, after which it shall be transferable by delivery. Such registration shall not affect the negotiability of the coupons belonging to any bond; but every such coupon shall continue to pass by delivery, and shall remain payable to bearer.

Sec. 3. Until the first mortgage bonds can be engraved and prepared, the Railway Company may execute and deliver temporary bonds, negotiable by delivery, and substantially of the tenor of the bonds hereinbefore recited, except that no coupons shall be attached to said bonds, and the same may be for the payment of one thousand dollars or any multiple thereof, as the Railway Company may determine. All such temporary bonds shall bear upon their face the words "Temporary First Mortgage Five Per Cent Thirty-Year Gold Bond, Exchangeable for Engraved Bonds," and shall be duly authenticated by the Trustee in the same manner as the bonds hereinbefore described, and such authentication shall be conclusive evidence that the bond so authenticated has been duly delivered to the Railway Company or upon its order, in accordance with the provisions of this indenture. Such temporary bonds, duly issued and authenticated hereunder, shall be exchangeable for engraved bonds to be issued hereunder, and upon any such exchange such temporary bonds shall be forthwith cancelled by the Trustee and delivered to the Railway Company. Until so exchanged, the said temporary bonds shall in all respects be entitled to the lien and security of this indenture, as bonds issued and authenticated hereunder; and interest, when and as payable, shall be paid and endorsed thereon.

Sec. 4. In case any first mortgage bond, with the coupons thereto appertaining, shall become mutilated or be destroyed or lost, the Railway Company, in its discretion, may issue, and thereupon the Trustee shall authenticate and deliver a new bond of like tenor and date, bearing the same serial number, in exchange and substitution for, and upon cancellation of, the mutilated bond and its coupons, or in lieu of and substitution for the bond and its coupons so destroyed or lost. The applicant for such substituted bond shall furnish to the Railway Company and the Trustee evidence of the destruction or loss of such bond and its coupons so destroyed or lost, which evidence shall be satisfactory to the Railway Company and the Trustee in
21 their

their discretion ; and said applicant shall also furnish indemnity satisfactory to both of them in their discretion.

ARTICLE TWO.

The Trustee shall authenticate the first mortgage bonds and deliver the same to the Railway Company, or on its order, in respect of two hundred and twenty-five miles of the railway of the Railway Company, which at the date of this indenture is either constructed or under contract for construction, on filing with the Trustee a copy of a resolution of the board of directors of the Railway Company certified under the corporate seal thereof by a proper officer thereof, requesting such delivery. The Railway Company covenants that out of said first mortgage bonds, it, the Railway Company, will complete the construction and equipment of said line of railroad so under contract for construction.

ARTICLE THREE.

Sec. 1. If the said sums of money in the first mortgage bonds mentioned, as well the principal as the interest thereof, shall be well and truly paid at the times and in the manner therein and herein expressed, according to the tenor and effect thereof, then and in such case the estate, right, title and interest of the Trustee, its successors in the trust, and its and their assigns, shall cease, determine and become void ; and upon proof being given, to the reasonable satisfaction of the Trustee, that all said bonds have been paid off or satisfied, and upon payment of all costs, charges and expenses incurred by the Trustee in relation thereto, the Trustee shall cancel and satisfy this indenture of record and shall assign and deliver to the Railway Company, or its assigns, all property in the hands of the Trustee.

Sec. 2. The Railway Company shall have the right, upon the maturity of the first mortgage bonds, to deposit with the Trustee, to the credit of the holder or holders of any bonds which shall not be presented for payment, the amount due thereon for principal and interest, and thereupon, and on payment of all costs, charges and expenses incurred by the Trustee in relation thereto, the Trustee shall satisfy this indenture, and cancel the same of record, and assign and deliver to the Railway Company or its assigns all property in its hands ; and in case the owner of any such bond shall not, within one year after such deposit, claim the amount so deposited for payment thereof, the Trustee shall, upon demand, pay over to the Railway Company the amount so deposited.

ARTICLE FOUR.

The entire issue of first mortgage bonds may be redeemed by the Railway Company on any half-yearly interest day, at
22
par,

par, provided that notice of such election of the Railway Company shall have been given in two daily newspapers in the city of New York, N. Y., twice a week for three successive weeks, commencing not less than thirty days nor more than three calendar months prior to the day on which such redemption is to be made, stating such election on the part of the Railway Company and that the interest on the first mortgage bonds will cease on the date so fixed for the redemption thereof, and requiring that said bonds be then presented for redemption. Notice having been so given, interest on the first mortgage bonds shall cease on such day so fixed for the redemption thereof, and, on presentation in accordance with said notice, said bonds, on surrender thereof with the coupon maturing on said redemption date and all subsequent coupons, shall be paid by the Railway Company with accrued interest to such redemption date. If not so paid on presentation thereof, said bonds shall continue to bear interest at the rate aforesaid until payment.

On the deposit with the Trustee of the amount necessary so to redeem all outstanding first mortgage bonds, and on payment to the Trustee of all costs, charges and expenses incurred by the Trustee hereunder, the Trustee shall satisfy this indenture and discharge the same of record, and assign and deliver to the Railway Company all securities and property in its hands.

ARTICLE FIVE.

Until the happening of one or more of the events of default hereinafter specified, the Railway Company, its successors and assigns, shall be entitled to retain possession of the mortgaged railroads, equipment and appurtenant property, and to operate and use the same and receive and enjoy the earnings, income and profits thereof.

ARTICLE SIX.

Sec. 1. The Trustee shall cause to be transferred into its name as trustee under this indenture, or into the name or names of its nominee or nominees, all shares of the capital stock of any corporation the certificates for which shall be delivered to the Trustee hereunder, and may, in its discretion, cause to be registered in its name as Trustee any and all coupon bonds which the Trustee may receive under any of the provisions of this indenture, or may cause the same to be exchanged for registered bonds, without coupons, of any denomination.

Sec. 2. Unless some one or more of the events hereinafter denominated the events of default shall have happened and be continuing, the Trustee shall not collect, or be entitled to collect, except upon the request of the Railway Company, the interest on any bonds that may be

pledged with the Trustee under any of the provisions of this indenture or any of the dividends from time to time declared in respect of the stock of any company at the time pledged with the Trustee hereunder, and the Trustee shall at once pay over to the Railway Company any such interest and dividends collected or received by the Trustee, and from time to time, upon the request of the Railroad Company, shall deliver to the Railway Company the coupons for such interest in order that the Railway Company may receive payment thereof for its own use, and shall deliver to the Railway Company suitable orders in favour of the Railway Company or its nominee for the payment of such dividends on any stock standing in the name of the Trustee or its nominee. If any such coupons delivered to it as aforesaid shall not be forthwith voluntarily paid as aforesaid and cancelled, the Railway Company shall and will return the same to the Trustee, and, in case of the payment of such coupons, upon demand of the Trustee, furnish satisfactory evidence that the same have been cancelled.

Sec. 3. The Railway Company shall have the right, the Railway Company not being in default under this indenture nor any of the covenants hereof, to vote, for all purposes not contrary to the covenants of the Railway Company set forth in article eleven hereof, upon all shares of stock of any corporation at any time pledged with the Trustee hereunder, and the Trustee shall from time to time, on the demand of the Railway Company, cause to be executed and delivered to the Railway Company or its nominees suitable powers of attorney to vote on such shares.

Sec. 4. The Trustee may at any time do whatever may be necessary for the purpose of preserving the corporate existence of any corporation whose stock shall be pledged with the Trustee hereunder, and to that end, the Trustee may and, upon the request of the Railway Company, shall assign and transfer, or cause to be assigned and transferred, so many shares of stock of any such corporation as may be necessary to qualify persons who may be chosen directors or officers thereof; but the Trustee may in such case, in its discretion, require the persons to whom such shares are transferred to agree to retransfer the same and deliver the certificates therefor under this indenture, and may make such other arrangements as the Trustee may deem necessary for the protection of the trust under this indenture.

Sec. 5. If the Railway Company shall make default in the payment of the principal or interest of any of the first mortgage bonds, or in the observance or performance of any of the covenants of this indenture on its part, then from and after such default and as long as such default shall continue, the Trustee shall exercise, in its absolute discretion, for the sole and exclusive benefit of the holders of the first mortgage bonds, all the rights of owner of the bonds and of the stock which may be pledged with the Trustee hereunder, and shall collect the

the interest on said bonds and the dividends on said stock and apply the same as hereinafter, in Article Seven hereof, provided.

Sec. 6. The Trustee may at any time, in its discretion, and if requested by the Railway Company (not being in default hereunder) shall consent to the extension or renewal of any of the bonds which may be pledged with the Trustee, and of the mortgages securing the same, and, in case of the renewals of any of said bonds, the Trustee may surrender the said bonds to the company issuing the same, or its successor, and receive in lieu thereof renewal bonds bearing such interest and maturing at such time as the Trustee may deem reasonable; provided that such extended or renewal bonds shall be secured by, and represent, an equal or superior lien and charge upon the same property as the bonds renewed or extended, of which fact the certificate of the counsel of the Railway Company shall be sufficient evidence to warrant the Trustee in acting in accordance therewith. All bonds received in exchange for, or in renewal of, bonds which may be pledged with, or assigned to, the Trustee, shall be held by the Trustee subject to the lien and to all the terms and provisions of this indenture, in the same manner and to the same extent as the bonds in exchange for which, or in the renewal of which, they were received.

Sec. 7. The pledge or assignment hereunder of any shares of stock of any company or companies shall not prevent the consolidation or merger of any one or more of said companies with the Railway Company, or with any other company of whose capital stock not less than ninety per cent shall then be owned by the Railway Company and be pledged with the Trustee hereunder, or the sale of the property of any such company to the Railway Company, or to any such other company of whose capital stock not less than ninety per cent shall then be owned by the Railway Company and be pledged with the Trustee hereunder, but such consolidation, merger or sale may be made under any laws to which such companies may then be subject, anything in this indenture contained to the contrary notwithstanding. In the event of the consolidation or merger of any one or more of the said companies with, or its sale to, the Railway Company, this indenture shall immediately become and be a lien upon the property of the company so consolidated or merged with the Railway Company, or on the property so sold to the Railway Company, with the same force and effect as if expressly conveyed by this indenture, and the holders of the first mortgage bonds shall always have as full and complete a lien upon such property as that upon the stock and bonds of such constituent companies created by the pledge or assignment thereof to the Trustee hereunder.

In the event of the consolidation of any such companies with each other, the portion of the capital stock of the company formed by such consolidation or merger (but never less than ninety per cent thereof) issued for and in lieu of any stock previously

viously pledged or assigned hereunder, shall always bear to the total capital stock a proportionate relation at least as high as that borne by such previously pledged stock to the total capital stock of such constituted companies. Such portion of such stock of such successor company shall be pledged with or assigned to the Trustee, and shall become and be subject to the lien of this indenture with the same force and effect as if expressly assigned by this indenture; and the holders of the first mortgage bonds shall always have a lien upon such portion of such stock of such successor company as full and complete as upon the stock and bonds of such constituent companies by reason of the pledge or assignment thereof hereunder.

Sec. 8. The Trustee, with the consent of the Railway Company, at any time may take such steps as in its discretion it shall deem necessary to protect its interests hereunder in respect of any bonds, obligations or stock which may become subject to the lien hereof, and for that purpose it may join in any plan of reorganization in respect of any such bonds, obligations or stocks and may accept new securities issued in exchange therefor under such plan. In case the Railway Company shall be in default in the payment of the principal or interest of any of the first mortgage bonds and such default shall have continued for the period of thirty days, the Trustee shall be entitled to take such steps without the consent of the Railway Company. The Trustee shall have and, subject only as in this indenture specifically restricted, may exercise all the rights of owners in respect of any bonds, obligations or stock which may be held by the Trustee under this indenture.

Sec. 9. All lines of railroad and property of every kind and character, and all interest therein, when and as and to the extent hereafter acquired, as herein provided, out of or from first mortgage bonds or the proceeds of first mortgage bonds or otherwise, shall, without any further conveyance or assignment, immediately upon such acquisition, become and be subject to the lien of this indenture as fully and completely as though now owned by the Railway Company, and expressly and specifically conveyed by, and embraced in, the granting clause of this indenture; and the Railway Company shall and will execute and deliver any all such further assurances or conveyances as the Trustee may reasonably direct or require for the purpose of expressly and specifically subjecting the same to the lien of this indenture.

ARTICLE SEVEN.

Sec. 1. No coupon belonging to any first mortgage bond, which in any way, at or after maturity, shall have been transferred or pledged separate and apart from the bond to which it relates, shall, unless accompanied by such bond, be entitled, in case of a default hereunder, to any benefit of, or from, this indenture,

indenture, except after the prior payment in full of the principal of the first mortgage bonds issued hereunder and of all coupons not so transferred or pledged.

Sec. 2. If one or more of the following events, hereinafter called the events of default, shall happen, that is to say:

(a.) default shall be made in the payment of any instalment of interest on any of the first mortgage bonds when and as the same shall become payable, as therein and herein expressed, and such default shall continue for the space of thirty days, or default shall be made in the payment of the principal of any of said bonds when the same shall become due and payable, by their terms, or by declaration or otherwise; or

(b.) default shall be made by the Railway Company in the observance or performance of any other of the covenants, conditions and agreements in the first mortgage bonds or in this indenture expressed, and the Railway Company shall not remedy such default within three months after written notice stating such default, and requiring the Railway Company to comply with the covenant or condition so in default, shall have been served upon the Railway Company by the Trustee; or

(c.) a receiver of the Railway Company or of its lines of railroad shall be appointed or an order made or effective resolutions passed for the winding up or liquidation of the business of the Railway Company; or

(d.) a distress or execution shall be levied or enforced upon or against any of the chattels or property of the Railway Company, or any execution or other process be sued out against the mortgaged premises or any part thereof; or

(e.) the Railway Company shall, without the consent in writing of the Trustee, cease to carry on its operations or threaten to cease to carry on the same; the Trustee, personally or by its attorneys or agents, may, with or without the leave of any court of competent jurisdiction, by writing, appoint a receiver or receivers of the said railway and property, or any part or parts thereof, and every such receiver may forthwith enter into and upon all or any part of the mortgaged premises, and may exclude the Railway Company and its agents and servants wholly therefrom; and, having and holding the same, may use, operate, manage and control said railroad and other premises, or any section or part thereof, and regulate the tolls for the transportation of passengers and freight thereon, and conduct the business thereof, either personally or by superintendents, managers, receivers, agents, servants or attorneys, to the best advantage of the holders of the first mortgage bonds, to the fullest extent authorized by law. The Trustee may from time to time discharge any receiver and, if it sees fit, appoint another receiver or receivers in his place.

Sec. 3. Upon every such entry, every such receiver may from time to time at the expense of the trust estate, either by purchase, repair or construction, maintain and restore and may

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insure or keep insured, in the same manner and to the same extent as is usual with railroad companies, the rolling stock, tools, machinery and other property, buildings, bridges and structures erected or provided for use in connection with said railroad and other premises, and of which it shall become possessed as aforesaid; and likewise may from time to time, at the expense of the trust estate, make all necessary or proper repairs, renewals, replacements, alterations, additions, betterments and improvements thereto and thereon as to it may seem judicious. The receiver, in case of such entry, shall have the right to manage the mortgaged premises and to carry on the business and to exercise all the rights and powers of the Railway Company, either in the name of the Railway Company or otherwise, as the Trustee shall deem best, and shall be entitled to collect and receive all tolls, earnings, incomes, rents, issues and profits of the mortgaged premises and every part thereof, and every such receiver shall, as regards responsibility for his acts and default, be the agent of the Railway Company.

Sec. 4. After deducting the expenses of operating said railroads and other premises, and of conducting the business thereof and of all repairs, maintenance, renewals, replacements, alterations, additions, betterments and improvements, and all payments which may be made for taxes, assessments, insurance and prior or other proper charges upon the mortgaged premises or any part thereof, as well as just and reasonable compensation for his own services and for the services of the Trustee and of all counsel, agents and employees by it properly engaged and employed, every such receiver shall pay over the moneys arising as aforesaid to the Trustee, which shall apply the same as follows:

(a.) in case the principal of the first mortgage bonds shall not have become due, to the payment of the interest in default in the order of the maturity of the instalments of such interest, with interest thereon at the rate of five per cent per annum, such payments to be made ratably to the persons entitled thereto without any discrimination or preference;

(b.) in case the principal of the first mortgage bonds shall have become due, by declaration or otherwise, first, to the payment of the accrued interest (with interest on the overdue instalments thereof at the rate of five per cent per annum in the order of the maturity of the instalments) and next, if any surplus remain, towards the payment of the principal of all the first mortgage bonds; such payments in every instance to be made ratably to the persons entitled thereto, without any discrimination or preference.

These provisions, however, are not intended in anywise to modify the provisions of Section 1 of this Article, but are subject thereto.

Upon the payment in full of whatever may be due for principal and interest, or payable for other purposes, the mortgaged railroads and appurtenant property and lands shall be

returned to the Railway Company, its successors or assigns, to be held subject to the terms and conditions of this indenture, which shall, in like manner, apply in respect of all subsequent defaults.

Sec. 5. The Railway Company, its successors and assigns, upon the happening of one or more of the events of default, shall and will immediately, upon demand made, deliver, surrender and yield up the mortgaged premises to the receiver or receivers appointed by virtue hereof, and every such receiver is hereby constituted its and their irrevocable attorney, with power to enter upon and take possession of the mortgaged premises immediately upon the happening of such event or events of default as aforesaid; such entry by the receiver or receivers into the trust property shall be by the full license of the Railway Company, its successors and assigns, and the Trustee is hereby authorized to use all necessary and reasonable force and means to obtain and hold such possession without being compelled to resort to any action or other legal proceedings.

Sec. 6. No entry into the possession of the mortgaged premises, or any part thereof, by the Trustee or any receiver or other person, shall render the Trustee liable as mortgagee in possession or accountable for any moneys except those actually remitted to it and received by it at its head office in New York.

ARTICLE EIGHT.

Sec. 1. If one or more of the events of default shall happen, the Trustee may, and, upon the requisition of the owners of a majority in amount of the first mortgage bonds then outstanding, shall declare the principal of all the first mortgage bonds to be forthwith due and payable without notice to the Railway Company, anything in said bonds or herein contained to the contrary notwithstanding. This provision is, however, subject to the condition that if at any time after the principal of the first mortgage bonds shall have been so declared due and payable, all arrears of interest upon such bonds (with interest on overdue instalments of interest at the rate of five per cent per annum), and the charges and expenses of the Trustee, shall be paid by the Railway Company or be collected out of the mortgaged premises before any sale of the mortgaged premises shall have been made, then and in every such case, the holders of a majority in amount of the first mortgage bonds then outstanding, by written notice to the Railway Company and to the Trustee, may waive such default and its consequences, and obtain from the Trustee a rescission of such declaration of the maturity of the principal; but no such waiver shall extend to or affect any subsequent default, or impair any right consequent thereon.

Sec. 2. If the Railway Company shall make default in the payment of the principal of any of the first mortgage bonds or

of the interest thereon at the time when the same, by the terms of the said bonds or of this indenture, shall become due and payable, then at the next annual general meeting of the Railway Company, and at all subsequent meetings, the registered holders of the first mortgage bonds, the Railway Company so being and remaining in default, shall in respect of the first mortgage bonds have and possess the same rights and privileges and qualifications for being elected directors and voting at general meetings as would attach to them as shareholders if they held fully paid up shares of the Railway Company to an amount corresponding to the amount then due upon their respective bonds, but subject to the provisions of the Railway Act.

ARTICLE NINE.

Sec. 1. If one or more of the events of default shall happen it shall be lawful for the Trustee, after the appointment of any receiver as aforesaid, and after his entry into possession as aforesaid, or after other entry or without the appointment of a receiver, and without entry, or either of them, to sell and dispose of the line of railway and undertaking of the Railway Company, and all and singular the property, rights and franchises hereinbefore expressed to be conveyed, or intended so to be, or any of them, and the Trustee may sell any section or sections of the railroad which is or are, in its opinion, capable of being sold and operated separately and the Trustee may sell separately, from time to time, any part or parts of the property or assets of the Railway Company which it would be lawful for the Railway Company to sell or dispose of, and every sale by this article authorized may be made either by public auction or private contract, or by tender, or in such other manner as to the Trustee shall seem expedient, and either with or without giving any notice of the intention to make such sale or sales, and any such sale may be made with or under any special conditions as to upset price, reserve bid or otherwise, and every such sale may be carried out and completed without any further consent or concurrence of the Railway Company.

Sec. 2. A certificate from the Trustee of the happening of any one or more of the events of default, together with the production of this indenture, shall be sufficient evidence of such default and no purchaser shall be bound to inquire into the correctness of such certificate, or whether any default has happened or whether any sum remains secured by this indenture.

Sec. 3. If one or more of the events of default shall happen, then, and in each and every such case, the Trustee may forthwith proceed to protect and enforce its rights and the rights of bondholders under this indenture by action either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement, by foreclosure, or sale, of this inden-

ture for interest or for principal and interest, or for the enforcement of any other appropriate remedy, as the Trustee shall deem most effectual in support of any of its rights or duties hereunder.

Sec. 4. Upon commencement of judicial proceeding by the Trustee, to enforce any right under this indenture, the Trustee shall be entitled to exercise the right of entry herein conferred, and also any and all rights and powers herein conferred and provided to be exercised by the Trustee upon the occurrence and continuance of an event of default as hereinbefore provided; and, as matter of right, the Trustee shall be entitled to the appointment of a receiver of the mortgaged premises and of the earnings, revenue, rents, issues, profits and other income thereof, with such powers as the court making such appointment shall confer.

Sec. 5. Except as herein expressly provided to the contrary, no remedy herein conferred upon or reserved to the Trustee or to the holders of first mortgage bonds is intended to be exclusive of any other remedy, but every remedy herein provided shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, or by statute; and every power and remedy given by this indenture to the Trustee or to the bondholders may be exercised from time to time and as often as may be deemed expedient, but the Trustee shall at all times be entitled to continue to hold any stocks, bonds and other securities that may be pledged or assigned to it hereunder.

Sec. 6. In case the Trustee shall have proceeded to enforce any right under this indenture by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case, the Railway Company and the Trustee shall severally and respectively be restored to their former position and rights hereunder in respect of the mortgaged premises, and all rights, remedies and powers of the Trustee shall continue as though no such proceedings had been taken.

Sec. 7. In the event of any sale under and by virtue of the power of sale herein contained or by virtue of judicial proceedings or of any judgment or decree of sale, the whole of the mortgaged premises may be sold in one parcel and as an entirety, including all the rights, titles, estates, railroads, equipments, franchises, contracts, shares of stock, bonds and other real and personal property of every name and nature, or in parcels, as the Trustee shall in its discretion determine, and, if in more than one parcel, in such parcels as the Trustee may deem expedient, unless the holders of a majority in amount of first mortgage bonds then outstanding shall in writing request the Trustee to cause such premises and property to be sold in parcels, in which case the sale may be made in such parcels as may be specified in such request. This provision shall bind

the parties hereto and each and every of the holders of the first mortgage bonds and coupons, but shall not be deemed in any wise to restrict the Trustee in disaffirming in its discretion any lease, or in surrendering any leasehold constituting part of the mortgaged premises, with the approval of the court, if any, in which proceedings may be pending for the enforcement of this indenture.

Sec. 8. Notice of any such sale, if intended to be made by auction, shall state the time when and the place where the same is to be made, and shall contain a brief general description of the property to be sold, and shall be published once in each week for four successive weeks prior to such sale, in a newspaper published in Toronto, Ontario, and in a newspaper published in the City of New York, New York; and such notice shall also comply with any requirement of statute or rule or order of court. The Trustee may adjourn any such sale or cause the same to be adjourned from time to time by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, without further notice or publication, such sale may be made at the time and place to which the same shall be so adjourned.

Sec. 9. In case of sale of the trust estate, or of any part thereof, under the terms of this indenture, the principal of the first mortgage bonds, if not previously due, shall become immediately due and payable, anything in said bonds or in this indenture contained to the contrary notwithstanding.

Sec. 10. Upon the completion of any sale or sales, the Trustee shall execute and deliver to the accepted purchaser or purchasers a good and sufficient deed or deeds of conveyance, sale and transfer of the property sold. The Trustee and its successor or successors are hereby appointed the true and lawful attorney or attorneys irrevocable of the Railway Company, in its name and stead to make all necessary deeds of conveyance, sale and transfer of such property, and for that purpose may execute all necessary acts of conveyance, assignment and transfer, and may substitute one or more persons or corporations with like power, the Railway Company hereby ratifying and confirming all that its said attorney or attorneys, or such substitute or substitutes, shall lawfully do by virtue hereof. Nevertheless the Railway Company shall, if so requested by the Trustee, ratify and confirm such sale by executing and delivering to the Trustee or to such purchaser or purchasers all proper deeds, conveyances and releases, as may be designated in such request.

Sec. 11. Any such sale or sales made under or by virtue of this indenture, either under the power of sale hereby granted and conferred or under and by virtue of judicial proceedings, shall divest all right, title, interest, estate, claim and demand whatsoever, either at law or in equity of the Railway Company of, in and to the property sold, and shall be a perpetual bar, both at law and in equity, against the Railway Company,

its successors and assigns, and against any and all persons claiming or to claim the property sold or any part thereof, from, through or under the Railway Company, its successors or assigns.

Sec. 12. In case of any sale of the mortgaged premises, whether under the power of sale hereby granted or pursuant to judicial proceedings, the purchase money, proceeds or avails, together with any other sums which may then be held by the Trustee or be payable to it under any of the provisions of this indenture as a part of the trust estate, shall be applied as follows :

(a.) to the payment of the costs, expenses, fees and other charges of such sale, and a reasonable compensation to the Trustee, its agents and attorneys, for its and their services and for the services of all counsel, receivers, agents, and employees engaged, appointed or employed by it or them, and to the payment of all expenses and liabilities incurred and advances or disbursements made by the Trustee, and to the payment of all penalties, working expenditures, taxes, rates, duties, levies, assessments, charges or other liens prior to the lien of this indenture, except any taxes, rates, duties, levies, assessments, charges or other superior liens subject to which such sale shall have been made ;

(b.) any surplus then remaining, to the payment of the whole amount owing or unpaid upon the principal and interest of the first mortgage bonds, with interest on the overdue instalments of interest at the rate of five per cent per annum, and, in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the first mortgage bonds, then to the payment of such principal and interest, ratably, according to the aggregate of such principal and the accrued and unpaid interest, without preference or priority of principal over interest or of interest over principal, or of any instalment of interest over any other instalment of interest ;

(c.) any surplus then remaining, to the Railway Company, its successors or assigns, or to whosoever may be lawfully entitled to receive the same.

These provisions, however, are not intended in anywise to modify the provisions of Section 1 of Article Seven hereof, but are subject thereto.

Sec. 13. In case of sale of the mortgaged premises or any part thereof, the purchaser, for the purpose of making settlement or payment for the property purchased, shall be entitled to turn in or apply towards the payment of the purchase price and to be credited with any first mortgage bonds and any matured and unpaid coupons to the extent of the value of such bonds and coupons upon a distribution among the bondholders of the net proceeds of such sale after making the deductions allowable under the terms hereof for the costs and expenses of the sale and otherwise. But such bonds and coupons so applied in payment by the purchaser shall be deemed to be paid only

to the extent so applied. At any such sale by auction, the Trustee, without incurring responsibility, may buy in the property or any part thereof, and the Trustee may vary or rescind any contract of sale without being responsible for any loss occasioned thereby. The receipt of the Trustee or the payment into court of the purchase money, if the sale be made under judgment or order of the court, shall be a sufficient discharge for the purchase money to any purchaser of the property, or any part thereof, sold as aforesaid; and no such purchaser, or his representatives, grantees or assigns, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this indenture, or be answerable in any manner whatsoever for any loss, misapplication or non-application of such purchase money or any part thereof.

Sec. 14. A receiver appointed by the Trustee may, in the discretion of the Trustee, accept possession of the mortgaged premises, although one of the events of default aforesaid shall not have happened, if the Railway Company shall offer to give up possession thereof to a receiver appointed by the Trustee, and may thereupon manage and operate the mortgaged premises, into possession of which he shall so enter, and collect the income and earnings thereof, and apply the net income and earnings thereof as hereinbefore provided in case of an entry by a receiver into the mortgaged premises after the happening of an event of default, and the Trustee may, if thereunto requested by the holders of two-thirds in amount of the first mortgage bonds outstanding, to be evidenced by an instrument in writing under the hands of such holders or their attorneys thereunto duly authorized, accept at any time, after the happening of an event of default, a release of the property embraced in this indenture for no more than the sum remaining due on the security hereof, and thereafter, in that event, shall hold the mortgaged premises free from all the trusts hereof for the common benefit of all the owners of the first mortgage bonds then outstanding, in proportion to the respective interests of such owners.

Sec. 15. Upon application of the Trustee, and with the consent of the Railway Company if an event of default shall not have happened, and without such consent if an event of default shall have happened, a receiver or receivers may be appointed to take possession of, and to operate and manage, the whole or any part of the mortgaged premises, wheresoever the same may be situated, with all the rights, powers and duties by this article conferred upon any receiver appointed under the provisions hereinbefore contained, and the Railway Company shall transfer and deliver to such receiver or receivers all such premises and property wheresoever the same may be situated; and, in every case in which a receiver or receivers of the whole or any part of the mortgaged premises shall be appointed under this article or otherwise, the Trustee shall be entitled to receive

all the surplus income and profits of such property for the benefit of the holders of the first mortgage bonds.

Sec. 16. A receiver may be appointed by the Trustee, with the consent of the Railway Company if an event of default shall not have happened, and without such consent if an event of default shall have happened, to take possession of and to operate and maintain and manage the whole or any part of the mortgaged premises wheresoever the same may be situated, and the Railway Company shall transfer and deliver to such receiver all such property wheresoever the same may be situated, and in every case when a receiver of the whole or part of such property shall be appointed under this section the net income and profits of such property shall be paid over to and received by the Trustee for the benefit of holders of the first mortgage bonds. Every such receiver may be invested with all or any of the powers and discretions of the Trustee and may exercise all or any of the powers conferred upon the Trustee by Article Seven hereof. The Trustee may from time to time remove any receiver so appointed and appoint another or others in his stead, who shall each have the like powers and discretions. Every receiver shall, so far as regards responsibility for his acts, be deemed to be the agent of the Railway Company or its assigns.

ARTICLE TEN.

Sec. 1. Upon the written request of the Railway Company, by order of its board of directors, the Trustee shall from time to time, while the Railway Company is in possession of the mortgaged railroads, release from the lien and operation of this indenture any part of the mortgaged premises then subject thereto, other than the property described in subdivision II. of the granting clause hereof, the release of which shall be governed by the provisions of section 2 of this article; provided that no part of the lines of main track or of the rights of way shall be released unless the same shall no longer be of use in the operation of any of the mortgaged lines of railroad, and that no part of such lines of track or rights of way shall be so released if thereby the continuity of the mortgaged lines of railroad shall be broken, and provided further that no part of the mortgaged premises shall be released hereunder unless at the time of such release it shall no longer be necessary or expedient to retain the same for the operation, maintenance or use of such railroads or for use in the business of the Railway Company. No such release shall be made unless the Railway Company shall have sold the property so to be released, or shall have contracted to sell or exchange the same for other property. The proceeds of any or all such sales and releases, and all moneys received as compensation for any property subject to this indenture taken by the exercise of any power of expropriation thereof, shall be deposited with the Trustee. The pro-

ceeds of any such sale or sales shall by the Trustee be set apart and held in trust and applied to the purchase of other property, real or personal, which shall be subject to the lien of this indenture, or in betterments of or additions to the mortgaged premises, or in rolling stock for use thereon, which shall likewise be subject to the lien of this indenture; any such purchases shall be made or directed by the Railway Company and paid for by the Trustee out of such proceeds, in pursuance of the written request of the Railway Company by order of its board of directors, which request shall constitute a sufficient justification to the Trustee for the expenditure of such moneys; or, if not so applied, then said proceeds, to the extent aforesaid, may, on the request of the Railway Company, be used by the Trustee, in the manner hereinafter provided, for the redemption of the first mortgage bonds. Any new property acquired by the Railway Company to take the place of any property released hereunder, shall, without further conveyance, become and be subject to the lien of this indenture as fully as if specifically mortgaged by this indenture; but, if requested by the Trustee, the Railway Company shall convey the same to the Trustee, by appropriate deeds, upon the trusts and for the purposes of this indenture.

The Railway Company may, from time to time, make surrender of, or changes or alterations in, or substitutions of, any and all leases, operating, trackage and traffic contracts, but no surrender shall be so made if thereby the continuity of the mortgaged lines shall be broken, nor without the approval of the Trustee; and leases or trackage rights so substituted, modified or altered shall forthwith become bound by and be subject to the terms of this indenture in the same manner as those previously existing.

The Railway Company, while in possession of the mortgaged railroads, shall also have full power, from time to time, in its discretion, to dispose of any portion of the equipment, machinery, tools and implements at any time held subject to the lien hereof, which may have become obsolete or otherwise unfit for such use; and agrees to replace the same by new equipment, machinery, tools or implements which shall become subject to this indenture.

Sec. 2. The Railway Company shall and will as soon as conveniently practicable after the date hereof, and from time to time as the same shall be conveyed by the province of Ontario, carefully value and appraise, or cause to be carefully valued and appraised, all and singular the lands authorized to be granted to the Railway Company out of the ungranted lands of Ontario, as aforesaid, and to which the Railway Company is now or shall hereafter become entitled, with the exception of such as may be required in the operation of the railway, in convenient sections, divisions or parcels for the sale thereof, and shall cause a full and accurate list and description of said lands and premises, containing, opposite each

section, division or parcel, the value put upon the same, to be deposited with the Trustee certified by the Railway Company, such appraisement shall be subject to the approval of the Trustee, which may accept such appraisement without independent examination, unless and until thereunto requested by the holders of not less than ten per cent in amount of the first mortgage bonds at the time outstanding; and such statement and appraisement may with the consent of the Trustee be from time to time revised, altered and corrected, a statement being in each case filed as aforesaid, and the Railway Company may at any time in its discretion contract for the sale of any section, division or parcel of said lands at the appraised value thereof according to the last preceding statement of such value filed with the Trustee and approved by it as aforesaid and not otherwise, and shall be entitled to have such section, division or parcel of said lands conveyed to the person contracting for the purchase thereof, released from the lien hereof, upon payment to the Trustee of the purchase money the same being not less than said appraised value thereof. In case the Railway Company shall make sale of any such lands as aforesaid at a price equal to the appraised value thereof according to the last preceding statement filed with the Trustee, the purchaser or purchasers, upon payment of the full amount of their purchase money to the Trustee, shall be entitled upon demand to a discharge of the lands, so purchased by them, from the lien hereof, the expense of such discharge to be paid and borne by the said purchasers. Until such appraisement has been made and approved as aforesaid the Railway Company may proceed with the sale of the hereinbefore mentioned lands hereby conveyed, or intended so to be, at such prices as it shall deem reasonable and as shall be approved by the Trustee. The Trustee is authorized and empowered, and it shall be its duty upon any such sale as aforesaid of any parcel of such lands and the payment of the purchase money by the purchasers thereof as aforesaid, to release and convey or join in releasing or conveying to the purchaser or purchasers thereof, or his or their heirs or assigns, by proper deed or conveyance, the premises so sold and to discharge the same from the lien and operation of this indenture and the trusts hereby created, and such release and conveyance when executed shall invest the grantee or grantees therein named with a full and complete title to the premises thereby granted, free from all encumbrances, which title shall include as well the title of the Railway Company as of the Trustee; provided always that after the appraisal of the said lands, as hereinbefore provided for, shall have been made, no section, division, piece or parcel thereof shall at any time be sold, released or conveyed as aforesaid below the appraised value thereof without the previous consent in writing of the Trustee to such sale.

Any of the lands aforesaid may be contracted to be sold as above provided wholly or partly on credit, provided that in any and every case of a contract of sale wholly or partly on credit, with whomsoever the contract may be made, the purchaser or purchasers shall not receive a conveyance of the premises agreed to be sold or any part thereof until the purchase money has been paid in full to the Trustee, but such party may have delivered to him a contract in evidence of his purchase, and such contract, if assented to by the Trustee in writing, shall, subject to the performance of the conditions thereof and to the payment of the purchase money, relieve the land therein comprised from the lien of this indenture; every such contract may, with the assent in writing of the Trustee, be rescinded or varied; provided that in case for any reason deemed by it sufficient the Trustee may release and convey or join in releasing and conveying the said premises to the said purchaser or purchasers upon receiving the cash portion of such purchase money with a proper mortgage upon the premises so released and conveyed to secure the unpaid balance of such purchase money. All proceeds of sale of land grant lands received by the Trustee shall be held by the Trustee as a sinking fund and shall be applied by the Trustee towards the redemption of the first mortgage bonds, in the manner hereinafter provided.

For the purpose of assenting to the contracts for the sale of, or any rescission or variation thereof, and granting and releasing from the lien of this indenture, such of the lands and premises aforesaid as shall or may be sold or contracted to be sold in conformity with this indenture the Trustee may appoint some suitable person as its agent or attorney, and thereupon the Trustee may act, and it is hereby authorized to act, by such agent or attorney, and all instruments executed, contracts assented to, rescinded or varied, and acts done by such agent or attorney in respect of the lands which shall be sold or contracted to be sold in conformity herewith shall be as valid and effectual to all intents and purposes, if the same be within the scope of the authority so given to such agent or attorney, as if the same were executed by the Trustee, provided that any such power of attorney may be revoked at the pleasure of the Trustee giving the same and a new attorney or attorneys substituted. Every deed or instrument appointing any such agent or attorney or removing the same shall be executed in duplicate and one of such duplicates shall be filed in the office of the Provincial Secretary of the Province of Ontario.

The Railway Company shall at all times keep at its principal office a record of all the sales of land which shall be made or contracted for as aforesaid, and of the price paid for the same and the manner in which the purchase money shall have been paid or secured, and such record shall at all reasonable hours and times be open to the inspection of the Trustee, and the Railway Company shall furnish from time to time, at

intervals of not less than one year, to the Trustee a true and correct copy thereof.

All expenses of the Trustee in connection with the release of land grant lands, including its own compensation and the compensation of any attorney appointed by it, shall be paid semi-annually by the Railway Company and shall be secured under this indenture by a lien prior to the lien of the first mortgage bonds.

Sec. 3. If any receiver or receivers shall be in possession of the mortgaged railroads or any section or sections, part or parts thereof, under any provision of this indenture, then all the powers conferred upon and reserved to the Railway Company by this article may be exercised by the receiver or receivers in his or their discretion. A certificate under the corporate seal of the Railway Company, signed by the president or a vice-president of the Railway Company, or under the hand of any receiver, may be received by the Trustee as conclusive evidence of any of the facts mentioned in this article which must be established in order to authorize the release of any property hereunder, and shall be full warrant and protection to the Trustee for its action on the faith thereof.

Sec. 4. In no event shall any purchaser of property sold or disposed of under any provision of this article be required to see to the application of the purchase money.

Sec. 5. Any amounts which may be received by the Trustee, and which may, under any of the provisions of this article, be applicable to the redemption of the first mortgage bonds, shall be held by the Trustee as a sinking fund and shall be applied by the Trustee towards such redemption by the purchase of said bonds in the open market if obtainable at a premium of not exceeding five per cent and accrued interest. To the extent to which, on the first days of June and December, such amounts shall not have been so applied for redemption, the Trustee shall apply the same to the redemption of said bonds at a premium of five per cent in the following manner. The Trustee shall, by lot, in any usual manner to be from time to time fixed by the Trustee, designate the bonds to be redeemed by the application of the moneys in its hands. The Trustee shall forthwith give notice of such designation for redemption by publishing notice thereof three times a week, for three successive weeks preceding the next half yearly interest day, in two newspapers of general circulation published in the city of New York, in the State of New York. Such notice shall state the numbers of the bonds designated for redemption, shall require the holders thereof to present the same on such next half-yearly interest day, and shall state that interest on said bonds will then cease. A similar notice shall also be mailed to the holder of each registered bond which may be designated for redemption, at his address upon such registry. Notice having been so given, interest on the first mortgage bonds so designated for redemption shall cease on such day.

and, on presentation in accordance with said notice, said bonds, on surrender thereof with all unmatured coupons, shall be purchased by the Trustee at a premium of five per cent.

All bonds redeemed under any of the provisions of this article shall forthwith be cancelled by the Trustee, and on demand of the Railway Company surrendered to it.

Sec. 6. The Trustee, however, upon the written request from time to time of the holders of all the first mortgage bonds at the time of any such request outstanding, may release from the lien of this indenture any portion of the mortgaged property at the time subject to the lien of this indenture, upon payment to the Railway Company or the Trustee, as may be specified in such request, of such consideration as may be therein approved.

ARTICLE ELEVEN.

The Railway Company, for itself, its successors and assigns, covenants, promises and agrees as hereinafter in this article set forth, namely :

The Railway Company will well and truly pay, unto the lawful owners and holders thereof, the interest and principal of the first mortgage bonds, when and as the same shall become due and payable, according to the tenor and effect of said bonds and coupons, without deduction from either principal or interest for any tax or taxes imposed by the Dominion of Canada or by any province or municipality thereof, or by the United States of America or by any state, county or municipality thereof, which the Railway Company may be required to pay thereon or to retain therefrom under or by reason of any present or future law ; and all coupons, when and as paid, shall forthwith be cancelled.

The Railway Company shall, until all the first mortgage bonds are fully paid or satisfied, pay or cause to be paid, when the same shall become due and payable, all taxes, rates, levies, duties, assessments or charges which may be lawfully imposed on the mortgaged premises and other the trust estate and on the interest of the Trustee in the trust estate ; provided, however, that the Railway Company shall not be required to pay any such tax, rate, levy, duty, assessment or charge so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof. Should the Railway Company fail to pay any such tax, rate, levy, duty, assessment or charge, the Trustee may, without prejudice to any of its rights under this indenture by reason of such default, pay and discharge the same and have a lien upon the mortgaged premises for its advances for that purpose, prior to the lien of this indenture.

The Railway Company shall properly maintain the mortgaged railroads and all other property at any time covered by this indenture, repairing, renewing and replacing the same as may be necessary, and shall properly preserve the franchises,

rights and privileges relating thereto, and shall keep all wooden bridges and trestles and all buildings, rolling stock and personal property at any time covered by this indenture properly insured against loss or damage by fire, and shall exhibit the policies and the receipts for the payment of premiums to the Trustee on request. Should the Railway Company fail to effect or keep in force such insurance, or to produce evidence thereof at a reasonable time before the expiration of any contract for insurance from time to time in force, the Trustee may insure such property in like manner. The proceeds of any policy of insurance shall be applied by the Railway Company to the replacement or reconstruction of the destroyed or damaged property, or otherwise for the benefit of the mortgaged premises, or be paid to the Trustee and applied by the Trustee, in similar manner as prescribed in Section 5 of Article Ten, toward the redemption of the first mortgage bonds.

The Railway Company shall, until all the first mortgage bonds are fully paid and satisfied, keep each piece of equipment from time to time subject to the lien of this indenture plainly lettered on each side with the name of the Railway Company.

The Railway Company, its successors and assigns, shall and will, from time to time, and at all times hereafter, upon the reasonable request of the Trustee and its successors in the trust appointed according to the provisions hereof, make, do, execute, acknowledge and deliver all such further acts, deeds, conveyances and assurances in the law for the better and more effectually conveying, assuring and confirming unto the Trustee and its successors in the trust by this indenture created, for the further security and satisfaction of the first mortgage bonds, upon the trusts and for the uses and purposes herein expressed or intended, all and singular the railroads, franchises and property hereby mortgaged, conveyed or pledged, or intended so to be, as by the Trustee or any successor in the trust, under the advice of counsel, shall be reasonably advised or required.

The Railway Company, its successors and assigns, will indemnify and save harmless the Trustee and its successors in the trust against all loss and damage to which it or they may be subjected by the execution of this trust, or by the operation or management of the mortgaged premises, not caused by the personal misconduct or neglect of the Trustee or its successors in the trust.

Any and all stock dividends which may be declared and which may become payable upon any shares of stock which may be pledged or assigned to the Trustee hereunder, shall be transferred and delivered to the Trustee, and be by it held for the benefit of the holders of the first mortgage bonds with the same effect and subject to all the conditions and provisions hereof as if originally pledged hereunder. Should any of the companies, whose shares may be so held, pay dividends in the form of bonds or certificates of indebtedness, or in any form

other than money, the Trustee shall also be entitled to receive and so hold such dividends and certificates of indebtedness. In the event of the payment of dividends in the form of certificates of indebtedness as aforesaid, the interest which may be paid upon such certificates of indebtedness shall be collected and paid over as above provided concerning cash dividends.

The Railway Company will not, except subject to the prior lien of this indenture, sell any of the shares of stock that may be subject thereto; nor, except subject as aforesaid, pledge or agree to pledge or hypothecate the same; nor, except subject as aforesaid and except as otherwise in this indenture provided, by any voluntary act or omission part with the ownership of or title to such stock or any part thereof, or with its equity of redemption therein, or the voting power thereon, but will hold all and singular the said shares of stock in such manner that, save as in this indenture otherwise provided, it shall retain in itself all its rights and powers as the holder of such stock.

The Railway Company, as such holder of such stock and except as in this indenture otherwise provided, will not by affirmative vote, or by abstaining from voting, or in any other manner, directly or indirectly, sanction or, holding a majority of the stock thereof, permit the guaranty of any bonds by such company, or sanction or permit any increase of the capital stock of any of said companies, or the creation of any additional mortgage or other lien upon any of their railroads, properties, rights, privileges or franchises, or the issue of any bonds under any such mortgage, unless effective provision shall be made that such proportion of such additional stock as the amount of capital stock so held by the Railway Company shall bear to the total issued capital stock of such other company, and all of said bonds, shall, immediately upon their creation and issue, be received and pledged or assigned by the Railway Company to the Trustee, subject to all the trusts of this indenture; and with the same effect as if at the date hereof and hereby such evidences of indebtedness, bonds and shares had been delivered and pledged or had been assigned to said Trustee. Any and all shares of stock so received and pledged or so assigned shall be fully paid up and be non-assessable.

ARTICLE TWELVE.

Sec. 1. No holder of any first mortgage bond or coupon shall have the right to institute any suit, action or proceeding at law or in equity upon or in respect of this indenture, or for the execution of any trust or power hereof or for the appointment of a receiver, or for any other remedy under or upon this indenture, unless such holder shall previously have given to the Trustee written notice of any existing default and of the continuance thereof, as hereinbefore provided; nor unless also the holders of fifteen per cent in amount of the first mortgage bonds then outstanding shall have made written request upon

the Trustee and shall have afforded to it reasonable opportunity to proceed itself to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name after such right of action shall have accrued to the Trustee; nor unless also such holder or holders shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred in or by reason of such action, suit or proceeding; and such notification, request and offer of indemnity are hereby declared, in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this indenture and to any action or cause of action for foreclosure, or sale, or for the appointment of a receiver, or for any other remedy hereunder; it being intended that no one or more holders of first mortgage bonds or coupons shall have any right in any manner whatever to affect, disturb or prejudice the lien of this indenture by his or their action, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings hereunder shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of such outstanding bonds and coupons, but the foregoing provisions of this section are intended only for the protection of the Trustee, and shall not be construed to affect any discretion or power by any provision of this indenture given to the Trustee to determine whether or not it shall take action in respect of any default without such notice or request from bondholders, or to affect any other discretion or power given to the Trustee.

Sec. 2. No delay or omission of the Trustee, or of any holder of first mortgage bonds, to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein; and every power and remedy given by this indenture to the Trustee or to the bondholders may be exercised from time to time, and as often as may be deemed expedient by the Trustee or by the bondholders.

ARTICLE THIRTEEN.

Sec. 1. The Trustee accepts the trusts of this indenture and agrees to execute them upon the following terms and conditions, to which the parties and the holders of the first mortgage bonds agree:

The Trustee shall be under no obligation to see to the record, registry or filing of this indenture; or, while not in possession thereof, to see to the insurance of the mortgaged property, or to the payment of taxes, rates, levies, duties, assessments or charges thereon; or to the performance or observance of any of the covenants or agreements on the part of the Railway Company; and the Trustee may and shall authenticate and deliver the first mortgage bonds in accordance with the

provisions hereof on the execution and delivery of this indenture, and notwithstanding this indenture shall not have been filed, registered or recorded.

The Trustee shall be entitled to reasonable compensation for all services rendered by it in the execution of the trusts hereby created and such compensation, as well as the reasonable compensation of its counsel and of such persons as it may employ in the administration or management of the trust, and all other reasonable expenses necessarily incurred and actually disbursed hereunder, the Railway Company agrees to pay, and for such payment the Trustee shall have a lien on the trust estate prior to the lien of this indenture.

The Trustee shall not be responsible in any manner whatsoever for the recitals herein contained as to the acts or powers of the Railway Company or its stockholders or otherwise, all of which are made by the Railway Company solely.

Unless and until the Trustee shall have received written notice to the contrary from the holders of not less than fifteen per cent in amount of the first mortgage bonds outstanding, the Trustee may, for all the purposes of this indenture, assume that no default has been made in the payment of any of the first mortgage bonds or of the interest thereon; or in the observance or performance of any of the covenants contained in the first mortgage bonds or in this indenture; that no receiver has been appointed of the Railway Company or of its lines of railroad; that no order has been made or effective resolutions passed for the winding up or liquidation of the Railway Company; that the Railway Company is not in default under this indenture; and that none of the events hereinbefore denominated events of default has happened.

The Trustee shall not be under any obligation to take any action toward the execution or enforcement of the trusts hereby created which, in its opinion, will be likely to involve it in expense or liability, unless one or more of the holders of the first mortgage bonds shall, as often as required by the Trustee, furnish it reasonable security and indemnity against such expense or liability; nor shall the Trustee be required to take notice of any default hereunder unless notified in writing of such default by the holders of at least fifteen per cent in amount of the first mortgage bonds then outstanding; or to take any action in respect of any such default involving expense or liability unless requested by an instrument in writing signed by the holders of not less than fifteen per cent in amount of the first mortgage bonds then outstanding and unless tendered reasonable security and indemnity as aforesaid, anything herein contained to the contrary notwithstanding; but neither any such notice or request, nor this provision therefor, shall affect any discretion herein given to the Trustee to determine whether or not the Trustee shall take action in respect to such default, or to take action without such request.

The Trustee may employ agents or attorneys in fact, and shall not be answerable for the default or misconduct of any

agent or attorney appointed by it in pursuance hereof, if such agent or attorney shall have been selected with reasonable care, nor for anything whatever in connection with this trust, except wilful misconduct or gross negligence.

The Trustee shall be reimbursed and indemnified against any liability or damage it may sustain or incur in the premises, and shall have a lien upon the trust estate prior to the lien of the first mortgage bonds for its compensation and expenses, and also for any such liability or damages.

The Trustee may advise with legal counsel, and any action under this indenture, taken or suffered in good faith by the Trustee in accordance with the opinion of counsel, shall be conclusive on the Railway Company and on all holders of the first mortgage bonds.

Sec. 2. The Trustee may resign and be discharged from the trusts created by this indenture by giving to the Railway Company notice in writing and to the bondholders notice by publication, of such resignation, specifying a date when such resignation shall take effect, which notice shall be published at least once, on a day not less than thirty days nor more than sixty days prior to the date so specified, in a daily newspaper of general circulation at that time published in the City of New York, N. Y. Such resignation shall take effect on the day specified in such notice, unless previously a successor trustee shall be appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor trustee.

Any trustee hereunder may be removed at any time by an instrument in writing filed with the Trustee for the time being under this indenture and executed by the holders of two-thirds in amount of the first mortgage bonds then outstanding.

Sec. 3. In case at any time the Trustee shall resign or shall be removed, or otherwise shall become incapable of acting, a successor may be appointed by the holders of a majority in amount of the first mortgage bonds then outstanding, by an instrument or concurrent instruments signed by such bondholders or their attorneys-in-fact duly authorized, but, until a new trustee shall be appointed by the bondholders as herein authorized, the Railway Company may, by proper instrument in writing, executed by order of its board of directors, appoint a trustee to fill such vacancy. Any trustee in succession to the Trustee, appointed under any of the provisions of this article, shall always be a trust company having an office in the Borough of Manhattan, in the City of New York, N. Y., and having a capital and surplus aggregating at least two million dollars, if there shall be such a trust company willing and able to accept the trust upon reasonable or customary terms. The Trustee and every such successor trustee, shall be exempt from giving any bond or surety in respect of the execution of the trusts or powers herein contained, or otherwise, in respect of the premises.

After any such appointment by the Railway Company it shall cause notice of such appointment to be published once a week in each of four successive weeks in two daily newspapers of general circulation published in the City of New York, N. Y., but any new trustee so appointed by the Railway Company shall immediately and without further act be superseded by a trustee appointed in the manner as above provided by the holders of a majority in amount of the first mortgage bonds.

Sec. 4. Any successor trustee appointed hereunder shall execute, acknowledge and deliver to the Railway Company an instrument accepting such appointment hereunder, and thereupon such successor trustee without any further act, deed or conveyance shall be vested with the appropriate authority, rights, powers, duties herein provided, in that behalf, and, upon the death, resignation or removal of any trustee, all the estate, right, title and interest of such trustee in the trust estate shall wholly cease and determine; but, nevertheless the Railway Company, its successors and assigns, will, in any and every such case, execute upon such request any such deeds, conveyances or assurances as shall, in the judgment of the trustee so appointed, be desirable or necessary to enable the trustee so appointed to execute the trusts by this indenture created, as fully and completely as if such appointed trustee had been originally a trustee; and in every case of resignation by a trustee or of removal of a trustee, the trustee so resigning or removed shall, at the request of the Railway Company, its successors or assigns, or of the trustee so appointed, make and execute such deeds, conveyances or assurances to its successors. All the conveyances hereinbefore provided for shall be at the cost of the Railway Company, its successors or assigns.

ARTICLE FOURTEEN.

Sec. 1. Nothing in this indenture, or in any of the first mortgage bonds, shall prevent the consolidation or merger with the Railway Company, or the sale to the Railway Company, of the railroads, property or franchises of any other railroad company; provided, however, that such consolidation, merger, or sale shall be upon such terms as to preserve and not to impair the lien of this indenture or any of the rights and powers of the Trustee or the holders of the first mortgage bonds.

Sec. 2. Nothing contained in this indenture or in any of the first mortgage bonds shall prevent the consolidation or merger of the Railway Company with any other corporation, or the sale, subject to the continuing lien of this indenture, by the Railway Company of its railways, properties and franchises as an entirety; provided that as a condition of such sale or as a part of such consolidation or merger the successor corporation formed by such consolidation or into which the Railway Company shall have been merged, or to which such sale shall

have been made, shall assume the due and punctual payment of the principal and interest of all the first mortgage bonds and the performance of all the covenants and conditions of this indenture.

Sec. 3. For every purpose of this indenture, the term, the Railway Company, includes and means not only The Algoma Central and Hudson Bay Railway Company, but also any such successor corporation. Every such successor corporation shall possess, and from time to time may exercise, each and every right and power hereunder of The Algoma Central and Hudson Bay Railway Company, in its name or otherwise, and any act or proceeding, by any provision of this indenture required to be done or performed by any board or officer of the Railway Company, may be done and performed with like force and effect by the like board or officer of any corporation that shall at the time be such lawful successor of the Railway Company.

ARTICLE FIFTEEN.

No recourse under or upon any obligation, covenant or agreement contained in this indenture or in any first mortgage bond or coupon, or under any judgment obtained against the Railway Company or otherwise, shall be had against any incorporator, stockholder, officer or director of the Railway Company, or of any successor corporation, either directly or through the Railway Company, by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any statute or otherwise. This indenture and the first mortgage bonds are solely corporate obligations, and no personal liability whatever shall attach to or be incurred by the stockholders, directors or officers of the Railway Company or of any successor corporation, or any of them, under or by reason of any of the obligations, covenants or agreements contained in this indenture, or in any of the first mortgage bonds or coupons, nor shall any such personal liability be implied therefrom; and any and all personal liability of every name and nature, whether at common law or in equity, or by statute or constitution, of every such stockholder, officer or director is hereby expressly waived as a condition of and consideration for the execution and delivery of this indenture and the execution and issue of such bonds and coupons.

ARTICLE SIXTEEN.

Any request or other instrument required by this indenture to be signed and executed by bondholders may be in any number of concurrent instruments of similar tenor, and may be executed by such bondholders in person, or by an agent or attorney appointed by an instrument in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent or attorney, or of the holding by any person of bonds transferable by delivery, shall be

sufficient for any purpose of this indenture, and shall be conclusive in favour of the Trustee with regard to any action taken by the Trustee under such request or other instrument, if made in the following manner, viz.: (a) the fact and date of the execution by any person of any such request or of any other instrument in writing may be proved by the certificate of any notary public or other officer authorized to take, either within or without the State of New York, acknowledgments of deeds to be recorded in said State, certifying that the person signing such request or other instrument acknowledged to him the execution thereof; or by the affidavit of a witness to such execution; (b) the amount of bonds transferable by delivery held by any person executing any such request or other instrument as bondholder, and the issue numbers of the bonds held by such person and the date of his holding the same, may be proved by a certificate issued by any trust company, bank, or other depositary (wheresoever situated) whose certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with such depositary or exhibited to it the bond numbered and described in such certificate, and such holding for the purpose of action by the Trustee on the faith thereof shall be deemed to continue for two calendar months ensuing the date of such certificate; (c) the ownership of registered bonds shall be proved by the books for the registry of such bonds as provided in the first article hereof.

ARTICLE SEVENTEEN.

Any written demand, request, notice, designation, direction or nomination, to be made by the Railway Company under any of the provisions hereof, shall be deemed sufficiently made and executed, if executed under the corporate seal of the Railway Company by the president or by a vice-president of the Railway Company. The Trustee may receive a certificate signed by the secretary or by an assistant-secretary of the Railway Company as sufficient evidence of the passage of any resolution by the board of directors of the Railway Company, or by the executive committee of said board.

The term Trustee, when herein used, shall be held and construed to mean the trustee for the time being, original or successor; and the words trustee, bond, bondholder and holder shall include the plural as well as singular number.

ARTICLE EIGHTEEN.

The Railway Company will not at any time insist upon or plead, or in any manner whatever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance or of lien of this indenture, nor will it claim, take, or insist upon any benefit

or advantage from any law now or hereafter in force providing for the valuation or appraisement of the mortgaged premises or the trust estate, or of any of the securities or stock at any time forming part of the trust estate, prior to any sale or sales thereof to be made pursuant to any provision herein contained or to the decree of any court of competent jurisdiction; nor will it, after any such sale or sales, claim or exercise any right, under any law or statute whenever enacted and now or at any time hereafter in force, to redeem the mortgaged premises or the trust estate, or any part thereof, or of any securities or stock so sold; and the Railway Company hereby expressly waives all benefit or advantage of any such law or laws, and covenants that it will not hinder, delay or impede the execution of any power herein granted and delegated to the Trustee, but will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

ARTICLE NINETEEN.

Nothing in this indenture expressed or implied is intended, or shall be construed, to confer upon, or to give to, any person or corporation, other than the parties hereto and the holders of the first mortgage bonds, any right, remedy or claim, under or by reason of this indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this indenture contained by or on behalf of the Railway Company shall be for the sole and exclusive benefit of the parties hereto and of the holders of the first mortgage bonds.

In witness whereof The Algoma Central and Hudson Bay Railway Company has caused its corporate seal to be hereunto affixed and this indenture to be signed by its president or a vice-president and by its secretary or an assistant secretary, and Central Trust Company of New York, in token of its acceptance of this trust, has caused its corporate seal to be hereunto affixed and this indenture to be signed by its president or a vice-president and by its secretary or an assistant secretary.

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY.

by

[SEAL]

T. C. SEARCH,
Vice-President.

Attest:

J. PARKE HOOD,
Secretary.

Executed, acknowledged and delivered by }
The Algoma Central and Hudson Bay }
Railway Company, in the presence of }

E. H. SANBORN.

CENTRAL TRUST COMPANY OF NEW YORK,

by

[SEAL]

J. N. WALLACE,
Fourth Vice-President.

Attest :

GEO. BERTINE,
Secretary.

Executed, acknowledged and delivered }
 by Central Trust Company of New }
 York, in the presence of }

WILLIAM D. EATON.

SCHEDULE C.

An agreement made the second day of January, 1903, between the Algoma Central and Hudson Bay Railway Company, hereinafter called the "Railway Company," of the first part, and the Algoma Commercial Company, Limited, a corporation organized under the laws of the province of Ontario in the Dominion of Canada, hereinafter called the "Commercial Company," of the second part :

The Railway Company has been created and organized under the laws of the province of Ontario in the Dominion of Canada, and is a corporation now validly existing under said laws.

The Commercial Company, at the request of the Railway Company, has advanced to the Railway Company the sum of upwards of \$741,000 for the purchase by the Railway Company of the following steamers, to wit : *Minnie M.*, *Ossifrage*, *King Edward*, *Leafield*, *Monkshaven*, *Paliki* and *Theano* ; of the following barges, to wit : *Agawa*, *H. A. Barr* and *Barlum* ; of the tug *Philadelphia* ; and of various lighters which collectively are of the present value of \$800,000 and upwards.

In respect of the amount so advanced, the Railway Company is indebted to the Commercial Company in the sum of \$710,000 and interest.

For a valuable consideration it is agreed as follows :—

1. The Railway Company, on or before the 20th day of January, 1903, will take all proper corporate action necessary for the execution and delivery of its note or bond in the sum of \$725,000 and for the execution and delivery of a proper mortgage and deed of trust securing said note or bond as a first charge on said steamships and shipping property hereinabove recited. Said note or bond shall be negotiable in form, shall bear interest from January 1, 1903, at the rate of five per centum per annum, payable semi-annually on the first days of

July and January in each year, shall mature on the first day of July, 1903, and shall be payable, both as to principal and interest, at the office or agency of the Railway Company in the city of New York, in United States gold coin of or equal to the present standard of weight and fineness, free of tax.

Said mortgage and deed of trust shall be made to such trustee or trustees as the Commercial Company shall designate, and by said mortgage the payment of said note or bond shall be charged as a first lien on said steamships and shipping property. The form of said note or bond and the form of said mortgage shall be subject to the approval of the Commercial Company, and said note or bond and said mortgage shall contain such provisions as the Commercial Company may require.

2. The Railway Company will, on or before the 20th day of January, 1903, having first taken all corporate action called for by the preceding article of this agreement, deliver to the Commercial Company said note or bond in satisfaction and discharge of said indebtedness from the Railway Company to the Commercial Company.

3. Pending the consummation of this agreement and the delivery of said note or bond, the Railway Company charges on the said steamships and shipping property, in favour of the Commercial Company and its assigns, the payment of said sum of \$725,000 and interest thereon from the first day of January, 1903, at the rate of five per centum per annum.

4. Said note or bond, and otherwise the rights of the Commercial Company under this agreement, may presently be assigned by the Commercial Company.

In witness whereof each of the parties has caused its corporate seal to be hereunto affixed and this agreement to be signed in its corporate name and on its behalf by its president or a president, and by its secretary or an assistant secretary, the day and year first above written.

THE ALGOMA CENTRAL AND HUDSON BAY
RAILWAY COMPANY,

E. H. SANBORN,
Assistant Secretary.

By F. S. LEWIS,
Vice-President. [Seal.]

THE ALGOMA COMMERCIAL COMPANY, LIMITED,

E. H. SANBORN,
Assistant Secretary.

By T. C. SEARCH,
Vice-President. [Seal.]



4-5 EDWARD VII.

CHAP. 54.

An Act to incorporate the Algoma Copper Range Railway Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition : Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

Preamble.

1. Robert Davy Perry, of the city of Toronto, George Kemp and Frank Perry, both of the city of Sault Ste. Marie, in the state of Michigan, and Frank Mortimer Perry and John McKay, both of the town of Sault Ste. Marie, in the district of Algoma, and province of Ontario, together with such persons as become shareholders in the company, are incorporated under the name of "The Algoma Copper Range Railway Company," hereinafter called "the Company."

Incorporation.

Corporate name.

2. The undertaking of the Company is declared to be a work for the general advantage of Canada.

Declaratory.

3. The persons named in section 1 of this Act are constituted provisional directors of the Company.

Provisional directors.

4. The capital stock of the Company shall be one million dollars. No one call thereon shall exceed ten per cent on the shares subscribed.

Capital stock.

5. The head office of the Company shall be in the town of Sault Ste. Marie, in the district of Algoma, in the province of Ontario.

Head office.

6. The annual meeting of the shareholders shall be held on the first Wednesday in September.

Annual meeting.

7. The number of directors shall be not less than five nor more than nine, one or more of whom may be paid directors.

Number of directors.

Line of
railway
described.

8. The Company may lay out, construct and operate a railway of the gauge of four feet eight and one-half inches, from a point in or near Batchewana Bay, in the district of Algoma, thence easterly to the Superior Copper Mines, thence easterly a distance of about one hundred and twenty miles by the most feasible route to a point on the main line of the Canadian Pacific Railway between Cartier and Biscotasing station in the district of Algoma, in the province of Ontario.

Issue of
securities.

9. The securities issued by the Company shall not exceed twenty-five thousand dollars per mile of the railway, and may be issued only in proportion to the length of railway constructed or under contract to be constructed.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 55.

An Act to incorporate the Annuity Company of
Canada.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it be Preamble.
enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition: Therefore His Majesty,
by and with the advice and consent of the Senate and House
of Commons of Canada, enacts as follows:—

1. Andrew Strang, Robert Muir, J. D. McArthur, George Incorporation.
D. Wood, Kenneth Mackenzie, James Tees, James Y. Griffin,
John McKechnie, H. E. Sharpe, Fred. W. Drewry, Geo. F.
Bryan, H. W. Hutchison, William Blackwood, G. J. Lovell,
William Frederick Hull, all of the city of Winnipeg, together
with such persons as become shareholders in the company,
are incorporated under the name of “Annuity Company of Corporate
Canada,” hereinafter called “the Company.” name.

2. The persons named in section 1 of this Act shall be Provisional
provisional directors of the Company, a majority of whom shall directors.
be a quorum, and they may forthwith open stock books, pro-
cure subscriptions of stock for the undertaking, make calls on Powers.
stock subscribed, receive payments thereon, and they shall
deposit in any chartered bank in Canada all moneys received
by them on account of stock subscribed or otherwise received
by them on account of the Company, and shall withdraw such
moneys for the purposes only of the Company, and may do
generally what is necessary to organize the Company.

3. The capital stock of the Company shall be one million Capital stock.
dollars, divided into shares of one hundred dollars each.

2. The shares of the capital stock subscribed for shall be Payment
paid by such instalments and at such times and places as the of calls.
directors appoint; no instalment shall exceed ten per cent, and
not less than thirty days' notice thereof shall be given.

Head office. **4.** The head office of the Company shall be in the city of Winnipeg, in the province of Manitoba, but branches, sub-
Branch offices. boards or agencies may be established, either within Canada or elsewhere, in such manner as the directors from time to time appoint.

First meeting of Company. **5.** So soon as two hundred and fifty thousand dollars of the capital stock of the Company has been subscribed, and ten per cent of that amount paid into some chartered bank in Canada, the provisional directors shall call a meeting of the shareholders of the Company at some place to be named in the city of Winnipeg, in the province of Manitoba, at which meeting the shareholders present or represented by proxy, who have
Election of directors. paid not less than ten per cent on the amount of shares subscribed for by them, shall elect a board of not less than seven nor more than twenty directors, a majority of whom shall be a quorum.

Qualification of directors. **2.** No person shall be a director unless he holds in his own name and for his own use at least twenty shares of the capital stock of the Company, and has paid all calls due thereon and all liabilities incurred by him to the Company.

Annual meeting. **6.** A general meeting of the Company shall be called once in each year after the organization of the Company and commencement of business at its head office, and at such meeting a statement of the affairs of the Company shall be submitted.

Business of Company. **7.** The Company may, throughout Canada and elsewhere, grant, sell or purchase annuities and pensions of all kinds dependent on human life, whether such annuities or pensions are immediate or deferred, and whether they are contingent or otherwise.

When insurance business may be commenced. **2.** The Company shall not commence the business authorized by subsection 1 of this section until sixty thousand dollars on the amount of the capital stock have been paid in cash into the funds of the Company, to be appropriated only for the purposes of the Company under this Act: Provided that the amount so paid in by any shareholder shall not be less than ten per cent of the amount subscribed for by him.

Investment of funds. **8.** The Company may invest its funds in the manner provided for in subsections 1 to 6, inclusive, of section 50 of *The Insurance Act*.

Power to hold real estate. **9.** The Company may acquire, hold, alienate, convey and mortgage any real estate required in part or wholly for the use and accommodation of the Company, but the annual value thereof in any province of Canada shall not exceed five thousand dollars, except in the province of Manitoba where it shall not exceed ten thousand dollars.

10. *The Insurance Act* shall apply to the Company. R.S.C., c. 124.

11. Notwithstanding anything contained therein, *The Companies Clauses Act*, except sections 18 and 39 thereof, shall apply to the Company, in so far as it is not inconsistent with any of the provisions of *The Insurance Act* or of this Act. R.S.C., c. 118.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 56.

An Act to incorporate the Anthracite Coal Railway Company.

[Assented to 7th June, 1905.]

WHEREAS a petition has been presented praying that it Preamble.
be enacted as hereinafter set forth, and it is expedient
to grant the prayer of the said petition: Therefore His
Majesty, by and with the advice and consent of the Senate and
House of Commons of Canada, enacts as follows:—

1. Patrick Burns, Thoburn Allan and John Michael Burns, Incorporation.
all of the city of Calgary, in the North-west Territories of
Canada, W. A. Galliher, of the town of Nelson, in the province
of British Columbia, and Duncan Ross, of the town of Green-
wood, in the said province, together with such persons as
become shareholders in the company, are incorporated under
the name of “The Anthracite Coal Railway Company,” here- Corporate name.
inafter called “the Company.”

2. The persons named in section 1 of this Act are consti- Provisional directors.
tuted provisional directors of the Company.

3. The capital stock of the Company shall be one million Capital stock.
dollars. No one call thereon shall exceed ten per cent on the Calls thereon.
shares subscribed.

4. The head office of the Company shall be in the city of Head office.
Calgary aforesaid.

5. The annual meeting of the shareholders shall be held on Annual meeting.
the first Wednesday in September.

6. The number of directors shall be not less than five nor Number of directors.
more than nine, one or more of whom may be paid directors.

7. The Company may lay out, construct and operate a rail- Line of railway described.
way of the gauge of four feet eight and one-half inches from a
point at or near the coal deposits in townships eighteen and
nineteen

nineteen in ranges seven and eight west of the fifth meridian and running easterly and southerly to a point at or near the town of Lethbridge.

Issue of
securities.

8. The securities issued by the Company shall not exceed twenty-five thousand dollars per mile of the railway, and may be issued only in proportion to the length of railway constructed or under contract to be constructed.

Agreements
with other
companies.

9. Any agreement provided for in section 281 of *The Railway Act*, 1903, may be entered into between the Company and the Canadian Pacific Railway Company, or the Alberta Railway and Irrigation Company.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 57.

An Act to incorporate the Athabaska Northern Railway Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it Preamble.
be enacted as hereinafter set forth, and it is expedient
to grant the prayer of the said petition: Therefore His Ma-
jesty, by and with the advice and consent of the Senate and
House of Commons of Canada, enacts as follows:—

1. Frederick H. Markey, of the city of Montreal, in the Incorporation.
province of Quebec, John K. McKenzie of the town of Selkirk,
in the province of Manitoba, Oscar E. Fleming of the city of
Windsor and Martin Burton of the town of Barrie, both in
the province of Ontario, and Herbert E. Smith of the said city
of Montreal, together with such persons as become shareholders
in the company, are incorporated under the name of “Atha-
baska Northern Railway Company,” hereinafter called “the Corporate name.
Company.”

2. The undertaking of the Company is declared to be a Declaratory.
work for the general advantage of Canada.

3. The persons named in section 1 of this Act are consti- Provisional directors.
tuted provisional directors of the Company.

4. The capital stock of the Company shall be one million Capital stock.
dollars. No one call thereon shall exceed ten per cent on the
shares subscribed.

5. The head office of the Company shall be at the city of Head office.
Montreal, in the province of Quebec.

6. The annual meeting of the shareholders shall be held on Annual meeting.
the first Wednesday in September.

Number of directors. **7.** The number of directors shall be not less than five nor more than nine, one or more of whom may be paid directors.

Line of railway described. **8.** The Company may construct and operate a railway of the gauge of four feet eight and one-half inches from a point at or near the town of Edmonton in the North-west Territories, thence northerly to a point at or near Athabaska Landing on the Athabaska river.

Powers of Company. **9.** The Company may, in connection with its railway and for the purposes of its business,—

Vessels. (a.) construct, acquire and navigate vessels upon and across any lakes and rivers connecting with or adjacent to the proposed line of railway; and may carry on generally the business of transportation in connection with the said railway and vessels;

Buildings. (b.) construct, acquire or lease warehouses, hotels and tramways.

Powers of Company. **10.** The Company may, in connection with its railway and for the purposes of its business,—

Water powers. (a.) acquire and utilize water-powers, and dispose of surplus power either directly or by converting it into electricity;

Electric plant. (b.) acquire lands, and erect, use and manage works and manufacture machinery and plant for the generation, transmission and distribution of electric power and energy;

Power houses. (c.) build and maintain power-houses and stations for the development of electric force and energy.

Telegraphs and telephones. **11.** The Company may construct, acquire and operate telegraph and telephone lines upon its railway, and for the purpose of operating such lines or exchanging and transmitting such messages may enter into contracts with any companies having telegraph or telephone powers, and may connect its own line with the lines of, or may lease its own lines to, any such companies.

Rates and charges. **2.** The Company may transmit messages for the public, and collect rates or charges therefor, but no rate or charge shall be demanded or taken for the transmission of any message, or for leasing or using the telegraphs or telephones of the Company, until it has been approved of by the Governor in Council, who may also revise such rates and charges from time to time.

R.S.C., c. 132. **3.** *The Electric Telegraph Companies Act* shall apply to the telegraphic business of the Company.

Issue of securities. **12.** The securities issued by the Company shall not exceed twenty thousand dollars per mile of the railway, and may be issued only in proportion to the length of railway constructed or under contract to be constructed.



4-5 EDWARD VII.

CHAP. 58.

An Act to incorporate the Athabasca Railway Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it Preamble.
be enacted as hereinafter set forth, and it is expedient
to grant the prayer of the said petition: Therefore His Ma-
jesty, by and with the advice and consent of the Senate and
House of Commons of Canada, enacts as follows:—

1. Alfred C. Dobell, of the city of Quebec, in the province Incorporation.
of Quebec, Isaac Carling, of the village of Exeter, in the pro-
vince of Ontario, Frederick Ross, James K. Cornwall and
Philippe Roy, all of the city of Edmonton, in the district of
Alberta, in the North-west Territories, together with such
persons as become shareholders in the company, are incorpo-
rated under the name of "The Athabasca Railway Com- Corporate name.
pany," hereinafter called "the Company."

2. The railway undertaking of the Company is declared Declaratory.
to be a work for the general advantage of Canada.

3. The persons named in section 1 of this Act are consti- Provisional directors.
tuted provisional directors of the Company.

4. The capital stock of the Company shall be two million Capital stock.
dollars. No one call thereon shall exceed ten per cent on the
shares subscribed.

5. The head office of the Company shall be in the city of Head office.
Edmonton.

6. The annual meeting of the shareholders shall be held on Annual meeting.
the third Wednesday in September.

7. The number of directors shall be not less than five, nor Directors.
more than nine, one or more of whom may be paid directors.

Line of railway described.

8. The Company may construct and operate a railway of the gauge of four feet eight and one-half inches from a point within the corporate limits of the city of Edmonton north-easterly, parallel to the course of the North Saskatchewan river on its north side, to a point in or near township fifty-nine in range nineteen west of the fourth principal meridian, in the district of Alberta; thence north-easterly past the north-westerly end of Smoky lake to the westerly end of Lac La-biche; thence northerly to the Athabasca river at or near the junction of the Clearwater river.

Telegraphs and telephones.

9. The Company may construct and operate telegraph and telephone lines upon its railway, and for the purpose of operating such lines, or exchanging or transmitting messages, may enter into contracts with any companies having telegraph or telephone powers, and may connect its own lines with the lines of, or may lease its own line to, any such companies.

Rates and charges.

2. The Company may transmit messages for the public and collect rates or charges therefor, but no rate or charge shall be demanded or taken for the transmission of any message, or for leasing or using the telephones or telegraphs of the Company, until it has been approved of by the Governor in Council, who may also revise such rates and charges from time to time.

R.S.C., c, 132.

3. *The Electric Telegraph Companies Act* shall apply to the telegraphic business of the Company.

Issue of securities.

12. The securities issued by the Company shall not exceed twenty thousand dollars per mile of the railway, and such securities may be issued only in proportion to the length of railway constructed or under contract to be constructed.

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4-5 EDWARD VII.

CHAP. 59.

An Act respecting the Atlantic, Quebec and Western Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Atlantic, Quebec and Western Railway Company has, by its petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Subsection 2 of section 4 of chapter 81 of the statutes of 1903 is repealed, and the following is substituted therefor:—

“2. The line described in paragraph (b) of subsection 1 of this section shall be constructed to Port Daniel within three years, and both lines shall be completed within five years, after the passing of this Act. In default of compliance with the provisions of this subsection, the powers of construction granted by this Act shall be void as to so much of the said lines as then remains uncompleted.”

2. Chapter 46 of the statutes of 1904 is repealed.

1904, c. 46,
repealed.

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4-5 EDWARD VII.

CHAP. 60.

An Act respecting the Battleford and Lake Lenore Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Battleford and Lake Lenore Railway Com- Preamble.
pany has by its petition prayed that it be enacted as
hereinafter set forth, and it is expedient to grant the prayer of 1902, c. 39.
the said petition: Therefore His Majesty, by and with the
advice and consent of the Senate and House of Commons of
Canada, enacts as follows:—

1. Section 8 of chapter 39 of the statutes of 1902 is repealed, New s. 8.
and the following is substituted therefor:—

“**8.** The Company may lay out, construct and operate a Line of railway described.
railway, of the gauge of four feet eight and one-half inches,
from a point at or near Hobbema station on the railway of the
Calgary and Edmonton Railway Company, in the district of
Alberta, thence in a generally easterly direction to or near the
town of Saskatoon, thence by a convenient route to Lake
Lenore, thence in a north-easterly direction to a point on the
railway of the Canadian Northern Railway Company at or near
Crooked river, in the district of Saskatchewan; and also a
branch line from a point on the Company's railway in town-
ship forty or forty-one in range twenty-four west of the
second meridian, in the district of Saskatchewan, to a point
at or near Yorkton, in the district of Assiniboia.”

2. Section 12 of the said Act is repealed.

S. 12 repealed.

3. The Battleford and Lake Lenore Railway Company may
commence the construction of its railway and expend fifteen
per cent of the amount of its capital stock thereon within two
years after the passing of this Act, and may finish the said
railway and put it in operation within five years after the pass-
ing of this Act; and if the said railway is not so commenced
and such expenditure is not so made, or if the said railway is
not finished and put in operation, within the said periods respec-
tively, the powers of construction conferred upon the said
Company

Time for construction of railway extended.

Company by Parliament shall cease and be null and void as respects so much of the said railway as then remains uncompleted.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 61.

An Act respecting the Bay of Quinté Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Bay of Quinté Railway Company has by its Preamble. petition prayed that it be enacted as hereinafter set forth, 1881, c. 46 ; and it is expedient to grant the prayer of the said petition : 1896 (1st Sess.) c. 15 ; Therefore His Majesty, by and with the advice and consent 1900, c. 51 ; of the Senate and House of Commons of Canada, enacts as 1902, c. 40. follows:—

1. The Bay of Quinté Railway Company may construct and operate a branch line of its railway from a point at or near the village of Bridgewater, in the township of Elzevir, in the county of Hastings, a distance of fifteen miles more or less, in a north-easterly direction, to a point at or near the actinolite mines, in the township of Kaladar, in the county of Addington ; and the said branch line shall be commenced within two years, and finished and put in operation within five years, after the passing of this Act, and if not so commenced and completed, the power to construct the said branch shall cease and be null and void as respects so much thereof as then remains uncompleted. Branch line authorized.

Time for construction limited.

2. The railway which the said Company has been authorized to construct shall be finished and put in operation within five years after the passing of this Act, otherwise the powers granted to the said Company by Parliament shall cease and be null and void as respects so much of the said railway as then remains uncompleted. Time for construction of railway extended.

3. Section 7 of chapter 15 of the statutes of 1896 (First Session), section 4 of chapter 50 of the statutes of 1900, and section 5 of chapter 40 of the statutes of 1902, are repealed. Repeal of sections extending time for construction.



4-5 EDWARD VII.

CHAP. 62.

An Act respecting the Brandon, Saskatchewan and Hudson's Bay Railway Company.

[Assented to 20th July, 1905.]

WHEREAS a petition has been presented by the Brandon, Preamble.
Saskatchewan and Hudson's Bay Railway Company
praying that it be enacted as hereinafter set forth, and it is 1903, c. 86.
expedient to grant the prayer of the said petition: Therefore
His Majesty, by and with the advice and consent of the Senate
and House of Commons of Canada, enacts as follows :—

1. Section 10 of chapter 86 of the statutes of 1903, is hereby Repeal of
present limits
of time for
construction.
repealed.

2. If the construction of the railway, which the said Com-
pany is by section 7 of the said chapter 86 authorized to con- Extension
of time for
construction.
struct, is not commenced and fifteen per cent on the amount of
the capital stock is not expended thereon by the thirteenth
day of August, A.D. 1907, or if the said railway is not finish-
ed and put in operation by the thirteenth day of August, A.D.
1910, the powers for such construction conferred upon the
Company by Parliament shall cease and be null and void as
respects so much of the said railway as then remains uncom-
pleted.

3. In addition to the line of railway authorized by section Additional
line of railway
authorized.
7 of chapter 86 of the statutes of 1903, the Company may lay
out, construct and operate a railway of the gauge of four feet
eight and one-half inches, from a point on the International
Boundary line, between ranges sixteen and eighteen west of
the principal meridian in the system of Dominion land surveys
in the province of Manitoba in a north-westerly direction to a
point at or near Brandon.



4-5 EDWARD VII.

CHAP. 63.

An Act to incorporate the Brantford and Woodstock Railway Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

1. Charles Horatio Waterous, Lloyd Harris, Christopher Cook, John Muir, James Harley and Edmund Sweet, all of the city of Brantford, and Malcolm Douglas, Dennis Weston Karn and William Tiffany Parke, all of the city of Woodstock, together with such persons as become shareholders in the company, are incorporated under the name of "Brantford and Woodstock Railway Company," hereinafter called "the Company."

2. The undertaking of the Company is declared to be a work for the general advantage of Canada.

3. The persons named in section 1 of this Act are constituted provisional directors of the Company.

4. The capital stock of the Company shall be three hundred thousand dollars. No one call thereon shall exceed ten per cent on the shares subscribed.

5. The head office of the Company shall be in the city of Brantford.

6. The annual meeting of the shareholders shall be held on the first Wednesday in September.

7. The number of directors shall be not less than five nor more than nine, one or more of whom may be paid directors.

Line of
railway
described.

8. The Company may lay out, construct and operate a railway of the gauge of four feet eight and one-half inches from a point at or near the city of Brantford, through the townships of Brantford, Burford, East Oxford and Blandford, to a point at or near the city of Woodstock.

Issue of
securities.

9. The securities issued by the Company shall not exceed thirty thousand dollars per mile of the railway, and may be issued only in proportion to the length of railway constructed or under contract to be constructed.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 64.

An Act respecting the Brockville, Westport and North-western Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Brockville, Westport and North-western Railway Company has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.

1903, c. 88.

1. The Brockville, Westport and North-western Railway Company may commence the construction of the extension of its railway authorized by chapter 88 of the statutes of 1903 and expend fifteen per cent of the amount of its capital stock thereon within two years after the passing of this Act, and may finish the said railway and put it in operation within five years after the passing of this Act; and if the said railway is not so commenced and such expenditure is not so made, or if the said railway is not finished and put in operation within the said periods respectively, the powers of construction conferred upon the said Company by Parliament shall cease and be null and void as respects so much of the said railway as then remains uncompleted.

Time for construction of railway extended.

2. Section 14 of chapter 88 of the statutes of 1903 is repealed.

Section 14 repealed.

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4-5 EDWARD VII.

CHAP. 65.

An Act to incorporate the Calgary and Battleford Railway Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it be Preamble.
enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition: Therefore His Majesty,
by and with the advice and consent of the Senate and House
of Commons of Canada, enacts as follows:—

1. Charles William N. Kennedy, James C. Thompson, Frank Incorporation.
O. Fowler, George Albert Metcalfe, Henry E. Sharpe and
Walter J. Cummings, all of the city of Winnipeg, in the prov-
ince of Manitoba, together with such persons as become share-
holders in the company, are incorporated under the name of
“The Calgary and Battleford Railway Company,” hereinafter Corporate
called “the Company.” name.

2. The persons named in section 1 of this Act are con- Provisional
stituted provisional directors of the Company. directors.

3. The capital stock of the Company shall be two million Capital stock.
dollars. No one call thereon shall exceed ten per cent on the
shares subscribed.

4. The head office of the Company shall be in the city of Head office.
Winnipeg, in the province of Manitoba.

5. The annual meeting of the shareholders shall be held on Annual
the first Wednesday in September. meeting.

6. The number of directors shall be not less than five nor Number of
more than nine, one or more of whom may be paid directors. directors.

7. The Company may lay out, construct and operate a rail- Line of
way of the gauge of four feet eight and one-half inches, from a railway
point in or near Calgary, in the North-west Territories, in a described.
north-easterly

north-easterly direction to a point in or near Battleford, thence north-easterly to a point in or near Prince Albert, in the North-west Territories.

Issue of securities.

8. The securities issued by the Company shall not exceed twenty-five thousand dollars per mile of the railway, and may be issued only in proportion to the length of railway constructed or under contract to be constructed.

Agreement respecting a bridge for general purposes.

9. If the Company constructs a railway bridge across the Saskatchewan river between Battleford and Prince Albert it may enter into any agreement with the Government of the North-west Territories, or with any city, town or village, or with the residents of any locality, for the purpose of so altering the said bridge as to make it available for the use of foot passengers and vehicles as well as for the railway, and for such purpose may receive any money or grant in connection therewith, either as aid thereto or otherwise, and may, for such use, charge such tolls as are approved of by the Board of Railway Commissioners for Canada.

Aid to.

Agreement with another company.

10. Any agreement provided for in section 281 of *The Railway Act, 1903*, may be entered into between the Company and the Canadian Pacific Railway Company, the Grand Trunk Pacific Railway Company, or the Canadian Northern Railway Company.

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4-5 EDWARD VII.

CHAP. 66.

An Act respecting the Calgary and Edmonton Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Calgary and Edmonton Railway Company Preamble.
has, by its petition, prayed that it be enacted as herein-
after set forth, and it is expedient to grant the prayer of the 1890, cc. 5, 84 ;
said petition : Therefore His Majesty, by and with the advice 1891, c. 71 ;
and consent of the Senate and House of Commons of Canada, 1898, c. 57 ;
enacts as follows :— 1903, c. 89.

1. Paragraph (a.) of section 6 of chapter 89 of the statutes 1903, c. 89,
of 1903 is repealed, and the following is substituted therefor :— s. 6 amended.
“(a.) commencing at Wetaskiwin, thence in an easterly Branch line.
direction, a distance of one hundred miles.”

2. The Calgary and Edmonton Railway Company, herein- Bond issue
after called “the Company,” may, in addition to the bonds, authorized.
debentures, debenture stock or other securities authorized to
be issued by chapter 89 of the statutes of 1903, issue bonds
under the provisions, *mutatis mutandis*, respecting bonds,
mortgages and borrowing powers contained in *The Railway*
Act, 1903, to an amount not exceeding one million dollars, in
aid of the construction of the branch line from Strathcona to
Edmonton authorized by paragraph (c.) of section 6 of the said
Act, including the bridge mentioned in the said paragraph and
the approaches to the said bridge.

2. The said bonds shall be called “bridge bonds,” and “Bridge
shall be the first preferential claim and charge upon the bonds.”
said branch line and upon the said bridge and its approaches,
but shall not constitute a charge upon any other part of the
railway of the Company.

3. The said bonds shall be in lieu of the issue of bonds, In lieu of
debentures and debenture stock or other securities autho- previously
rized by section 7 of the said Act, in so far as that section relates issued bonds.
to the branch line from Strathcona to Edmonton.

4. The mortgage deed securing the said bonds may contain a Provisions of
provision, among others, that all tolls and revenues derived mortgage
from securing
bonds.

from the use of the said branch line and the said bridge and its approaches shall be specially charged and pledged as security for the said bonds and the interest thereon.

Bridge to vest in Company. **3.** The said bridge and its approaches shall be vested in the Company.

Use of bridge for general purposes. **4.** The Company may construct the said bridge for the use of foot passengers and carriages, or either, as well as for railway purposes, and may, for such use, charge tolls approved of by the Board of Railway Commissioners for Canada.

Piers for protecting bridge from ice. **5.** The Company, subject to the provisions of *The Railway Act, 1903*, may erect, make and sink all such piers, abutments, blocks and erections in the Saskatchewan river as are deemed necessary for the construction of the said bridge, or are thought desirable efficiently to protect it from the effects of ice and ice freshets, or for any other purposes in connection with the said bridge that the Company sees fit.

Expropriation of land for bridge purposes. **6.** Subject to the provisions of *The Railway Act, 1903*, as to the taking of lands and the compensation to be made therefor, the Company may take and use all land on either side of the said river reasonably required for the purpose of building, maintaining and supporting the said bridge and its approaches.

Equal rights over bridge to all companies. **7.** So soon as the said bridge is completed and ready for traffic, all trains and cars of all railways connecting therewith, now constructed or hereafter to be constructed, and also the trains and cars of all companies whose lines connect with the line of any company so connecting with the said bridge, shall have and be entitled to the same and equal rights and privileges in the passage of the said bridge, so that no discrimination or preference in the passage of the bridge and approaches, or in the tariff rates for transportation, shall be made in favour of or against any railway whose trains pass over the said bridge.

Disagreements to be determined by Railway Commission. **8.** In case of any disagreement as to the rights of any company whose trains pass over the said bridge and approaches, or as to the tariff rates to be charged in respect thereof, it shall be determined by the Board of Railway Commissioners for Canada.

Time for construction of branch lines. **9.** The Company may, before the thirty-first day of December, one thousand nine hundred and five, complete fifty miles of each of the branch lines mentioned in paragraphs (a.) and (b.) of section 6 of the said Act, as amended by this Act, and may complete the remainder of each of the said branches within five years after the passing of this Act; and the Company may commence within two years and complete within five years after the passing of this Act the branch line mentioned in

paragraph (c.) of the said section ; provided that as to so much of the said branch lines as is not constructed within the said periods respectively the powers of the Company shall cease and determine.

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4-5 EDWARD VII.

CHAP. 67.

An Act to incorporate the Calgary, Red Deer and Battleford Railway Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition : Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

Preamble.

1. Archibald J. McArthur, Edward McBride, and Charles Allan Stuart, all of the city of Calgary, in the district of Alberta, N.W.T.; James D. McGregor, of Brandon, Manitoba; Malcolm McGregor, of Detroit, Michigan, one of the United States; and Alfred E. Hitchcock, of London, England, together with such persons as become shareholders in the company, are incorporated under the name of "The Calgary, Red Deer and Battleford Railway Company," hereinafter called "the Company."

Incorporation.

Corporate name.

2. The persons named in section 1 of this Act are constituted provisional directors of the Company.

Provisional directors.

3. The capital stock of the Company shall be one million dollars. No one call thereon shall exceed ten per cent on the shares subscribed.

Capital stock.

4. The head office of the Company shall be in the town of Calgary, in the district of Alberta.

Head office.

5. The annual meeting of the shareholders shall be held on the first Tuesday in September.

Annual meeting.

6. The number of directors shall not be less than five nor more than nine, one or more of whom may be paid directors.

Number of directors.

7. The Company may lay out, construct and operate a railway of the gauge of four feet eight and one-half inches from

Line of railway described.

from a point at or near the town of Calgary, in the district of Alberta, thence in a north-easterly direction to Battleford, in the district of Saskatchewan, in the North-west Territories.

Issue of securities.

8. The securities issued by the Company shall not exceed twenty-five thousand dollars per mile of the railway, and may be issued only in proportion to the length of railway constructed or under contract to be constructed.

Telegraphs and telephones.

9. The Company may construct and operate telegraph and telephone lines upon its railway, and for the purpose of operating such lines, or exchanging or transmitting messages, may enter into contracts with any companies having telegraph or telephone powers, and may connect its own lines with the lines of, or may lease its own lines to, any such companies.

Rates and charges.

2. The Company may transmit messages for the public and collect rates or charges therefor, but no rate or charge shall be demanded or taken for the transmission of any message, or for leasing or using the telephones or telegraphs of the Company, until it has been approved of by the Governor in Council, who may also revise such rates and charges from time to time.

Approval of rates.

R.S.C., c. 132.

3. *The Electric Telegraph Companies Act* shall apply to the telegraphic business of the Company.

Issue of paid-up stock.

10. The directors may make and issue, as paid-up stock, shares in the ordinary stock of the Company, whether subscribed for or not, and may allot and hand over such stock in payment for right of way, plant, rolling stock or material of any kind, and also for the services of contractors or engineers; and such issue and allotment of stock shall be binding on the Company, and such stock shall not be assessable for calls.

Agreement with another company.

11. Any agreement provided for in section 281 of *The Railway Act*, 1903, may be entered into between the Company and the Canadian Pacific Railway Company, the Grand Trunk Pacific Railway Company, or the Canadian Northern Railway Company.



4-5 EDWARD VII.

CHAP. 68.

An Act respecting the Canada Central Railway Company.

[Assented to 20th July, 1905.]

WHEREAS the Canada Central Railway Company has, by Preamble.
its petition, prayed that it be enacted as hereinafter set
forth, and it is expedient to grant the prayer of the said 1902, c. 45.
petition: Therefore His Majesty, by and with the advice and 1903, c. 91.
consent of the Senate and House of Commons of Canada,
enacts as follows:—

1. Section 15 of chapter 45 of the statutes of 1902 is 1902, c. 45,
repealed. section 15
repealed.

2. The Canada Central Railway Company may commence Time for
the construction of its railways, and expend fifteen per cent of construction
its capital stock thereon, within two years after the passing of of railways
this Act, and may finish the railways and put them in operation extended.
within five years after the passing of this Act, and if the
railways are not so commenced and such expenditure is not
so made, or if the railways are not finished and put in operation,
within the said respective periods, the powers granted
to the said Company by Parliament shall cease and be null
and void as respects so much of the railways as then remains
uncompleted.

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most Excellent Majesty.



4 - 5 EDWARD VII.

CHAP. 69.

An Act respecting the Canada and Michigan Bridge and Tunnel Company.

[Assented to 16th May, 1905.]

WHEREAS the Canada and Michigan Bridge and Tunnel Company has, by its petition, prayed that it be enacted as hereinafter set forth; and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.

1. The bridge authorized by the Acts relating to the Canada and Michigan Bridge and Tunnel Company shall be commenced within two years after an Act of the Congress of the United States has been passed consenting to or approving of the construction of a bridge across the Detroit river, or within two years after the Executive of the United States, or other competent authority, has consented to or approved of a bridge, and such bridge shall be completed within five years after such commencement, otherwise the powers to construct a bridge granted by the Acts relating to the said Company and by this Act shall cease and be null and void as respects so much of the bridge as then remains uncompleted; provided, however, that if such consent to the construction of a bridge is not obtained within five years after the passing of this Act, the powers granted by the Acts relating to the said Company and by this Act in regard to a bridge shall cease and be null and void.

Time for construction of bridge extended.

2. The construction of a tunnel or tunnels authorized by the Acts relating to the said Company shall be commenced within three years and completed within ten years after the passing of this Act, otherwise the powers granted by the Acts relating to the said Company and by this Act with regard to a tunnel or tunnels shall cease and be null and void as respects so much of the tunnel or tunnels as then remains uncompleted.

Time for construction of tunnels extended.



4-5 EDWARD VII.

CHAP. 70.

An Act respecting the Canada Southern Bridge Company.

[Assented to 16th May, 1905.]

WHEREAS the Canada Southern Bridge Company has, by its petition, prayed that it be enacted as hereinafter set forth; and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.

1. The times limited by the Acts respecting the Canada Southern Bridge Company for the completion of its undertaking are extended as follows:—

Time for completion of undertaking extended.

(a.) The bridge authorized by the said Acts shall be completed within seven years after an Act of the Congress of the United States has been passed consenting to or approving of the construction, maintenance and operation of the said Company's bridge across the Detroit River, or within seven years after the Executive, or other competent authority, has consented to or approved of the bridge, otherwise the powers in relation to such bridge granted by the Acts relating to the said Company and by this Act shall cease and be null and void as respects so much of the bridge as then remains uncompleted; provided that if such consent is not obtained within five years after the passing of this Act, the powers granted for the construction of the said bridge and works in connection therewith shall cease and be null and void;

Bridge.

(b.) The tunnel authorized by the said Acts shall be completed within ten years after the passing of this Act, otherwise the powers granted for the construction of the said tunnel and works in connection therewith shall cease and be null and void as respects so much of the tunnel as then remains uncompleted.

Tunnel.



4 - 5 EDWARD VII.

CHAP. 71.

An Act respecting the Canada Southern Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Canada Southern Railway Company has, Preamble.
by its petition, prayed that it be enacted as hereinafter set forth; and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The times limited by the Acts set forth in the schedule to this Act for commencing and completing the lines or branches of railway authorized by such Acts, or any of them, are continued and extended as follows:—The said lines or branches shall be commenced and completed within five years from the first day of July, one thousand nine hundred and five; and if the said lines and branches are not so commenced and completed the powers of the Canada Southern Railway Company with respect to such lines and branches shall be null and void as respects so much thereof as then remains uncompleted. Time for construction of railways extended.

2. The said Company may guarantee the bonds or other securities of, or otherwise loan its credit to, or become a guarantor for, or may subscribe for or become the owner of stock in any railway bridge company or railway tunnel company with which its line is now or may hereafter be in connection; provided the power given under this section shall not be exercised unless sanctioned by two-thirds of the votes of the shareholders at a special meeting called for the purpose, or at any annual meeting for which notice for the purpose is given as in the case of a special meeting, at which meeting, whether annual or special, shareholders representing at least two-thirds in value of the capital stock of the said Company are present or represented by proxy. Power to guarantee securities and own stock of other companies. Approval of shareholders.

SCHEDULE.

Year and chapter.	Title of Act.
27 Vict. (Prov. of Can.), c. 59.....	Known as the "Erie and Niagara Railway Company Act of 1863."
36 Vict. (Canada), c. 86.....	An Act to amend the Erie and Niagara Railway Company Act of 1863.
35 Vict. (Ontario), c. 48.....	An Act to confer further corporate powers on the Canada Southern Railway Company.
36 Vict. (Ontario), c. 86.....	An Act respecting the Canada Southern Railway Company.

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4-5 EDWARD VII.

CHAP. 72.

An Act respecting the Canadian Northern Railway Company.

[Assented to 20th July, 1905.]

WHEREAS the Canadian Northern Railway Company has, Preamble.
by its petition, prayed that it be enacted as hereinafter
set forth, and it is expedient to grant the prayer of the said
petition: Therefore His Majesty, by and with the advice and
consent of the Senate and House of Commons of Canada, enacts
as follows:—

1. This Act may be cited as *The Canadian Northern Act*, Title of Act.
1905.

2. The Canadian Northern Railway Company, hereinafter
called “the Company,” may lay out, construct and operate Lines of
railway
authorized
the following lines of railway:—

(a.) from a point in or near Regina, north-westerly and
westerly to a point on the Red Deer river in the district of
Alberta, with a branch line therefrom beginning at a point
west of the Saskatchewan river and running northerly to a
point in or near township forty-five, range four, west of the
third meridian;

(b.) from a point in or near Regina, northerly to or near to
Humboldt, thence north-easterly down or near the valley of
the Carrot river to a point at or near the Pas Mission on the
Saskatchewan river;

(c.) from a point on the line of the Canadian Northern
Railway between Humboldt and the South Saskatchewan river,
north-easterly to a point at or near the crossing of the South
Saskatchewan river by the Prince Albert branch of the
Canadian Northern Railway;

(d.) from a point on the line of the Canadian Northern
Railway west of Battleford, into Battleford.

3. The limit to the amount of securities which the Com- Issue of
securities.
pany may issue and secure under sections 111 to 115, both
inclusive, of *The Railway Act*, 1903, shall, with respect to the
lines

lines hereby authorized, be twenty thousand dollars per mile of such lines, and such securities may be issued only in proportion to the length of railway constructed or under contract to be constructed.

Time for
construction
limited.

4. The respective times for commencement and completion of the lines authorized by this Act and of the lines and branches referred to in the Acts of the Parliament of Canada and of the Legislature of Manitoba relating to the railways of—

1. The Canadian Northern Railway Company,
2. The Lake Manitoba Railway and Canal Company,
3. The Manitoba and South-eastern Railway Company,
4. The Morden and North-western Railway Company,
5. The Northern Pacific and Manitoba Railway Company,
6. The Portage and North-western Railway Company,
7. The Red River Valley Railway,
8. The Waskada and North-eastern Railway Company,
9. The Winnipeg Great Northern Railway Company,
10. The Winnipeg Transfer Railway Company (Limited),
11. The Western Extension Railway Company,

are, in so far as the legislative authority of the Parliament of Canada extends thereto, hereby fixed at two years and five years respectively from the passing of this Act; and if the said lines are not so commenced and completed, then the powers of construction conferred upon the Company shall cease and be null and void as respects so much thereof as then remains uncompleted.

Agreements
with other
companies.

5. Subject to the provisions of sections 281 to 283, both inclusive, of *The Railway Act*, 1903, the Company may enter into agreements with all or any of the companies hereinafter named for any of the purposes specified in the said section 281 and, in addition, for acquiring leases of any lines leased by any of such companies and acquiring running powers thereover, such companies being the Great Northern Railway of Canada, the Chateauguay and Northern Railway Company, the Irondale, Bancroft and Ottawa Railway Company, the Quebec, New Brunswick and Nova Scotia Railway Company and the James Bay Railway Company.

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4 - 5 EDWARD VII.

CHAP. 73.

An Act respecting the Canadian Pacific Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Canadian Pacific Railway Company has, Preamble.
by its petition, prayed that it be enacted as hereinafter
set forth, and it is expedient to grant the prayer of the said
petition: Therefore His Majesty, by and with the advice and
consent of the Senate and House of Commons of Canada,
enacts as follows :—

1. Unless the following lines of railways which the Canadian Pacific Railway Company has been authorized to construct by chapter 55 of the statutes of 1900, that is to say :—

Time for
construction
of certain
lines
extended.

From a point on the Deloraine extension of the Souris Branch of the Company's railway at or near Deloraine ; 1900, c. 55.

thence south-westerly to a point in township one or two,
and thence westerly for a distance of one hundred miles ;

From a point at or near Napinka on the Company's Souris branch ; thence westerly to a junction with the north-west extension of the Souris Branch ;

From a point on the Manitoba South-western Colonization Railway between Manitou and Pilot Mound ; thence in a general southerly direction to a point at or near the International boundary ;

From a point on the Company's Souris branch between Lauder and Menteith ; thence easterly and north-easterly to a point between Glenboro and Treesbank on the Glenboro extension of the said Souris branch ;

From a point at or near Osborne on the Company's Pembina Mountain branch ; thence westerly and south-westerly to some point on the line of the Manitoba South-western Colonization Railway between Cartwright and Boissevain ;
and

From a point at or near West Selkirk ; thence in a northerly direction about sixty miles through range three or four east to some point on the west shore of Lake Winnipeg ;

thence in a direct line north-westerly to a point on the Little Saskatchewan River distant not more than six miles from Lake Winnipeg,—

Line changed.

are proceeded with within two years, and completed and put in operation within five years, after the passing of this Act, the powers granted by Parliament for the construction thereof shall cease and be null and void with respect to so much of the said lines as then remains uncompleted: Provided, however, that the construction of the said line from a point at or near Napinka on the Company's Souris branch shall be proceeded with from a point at or near Lauder instead of from a point at or near Napinka.

Time for construction of certain other lines.

2. Unless the following lines of railway which the said Company has been authorized to construct by the said Act, that is to say:—

From a point at or near Otterbourne on the Company's Emerson branch; thence south-easterly to a point at or near Stuartburn, in township two, range six east; and

From a point on the Company's railway at or near New Westminster; thence to Vancouver by such route as may be found most direct and feasible,—

are commenced within two years, and completed and put in operation within five years, from the passing of this Act, the powers granted by Parliament for the construction thereof shall cease and be null and void with respect to so much of the said lines as then remains uncompleted.

Powers of construction.

3. The said Company may, notwithstanding the time limit contained in the said Act, chapter 55 of the statutes of 1900 and subject to the foregoing provisions, construct, complete and operate the said railways.

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4-5 EDWARD VII.

CHAP. 74.

An Act to incorporate the Canadian West Life Insurance Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it Preamble.
be enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition : Therefore His Majesty,
by and with the advice and consent of the Senate and House
of Commons of Canada, enacts as follows :—

1. Frederick William Jones, of the town of Golden, in the Incorporation.
province of British Columbia, Alan Joseph Adamson, of Ros-
thern, in the North-west Territories, Henry Healy Williams,
Edward Seybold, John Gillanders Turriff and William Clark
Perkins, all of the city of Ottawa, in the province of Ontario,
together with such persons as become shareholders in the com-
pany, are incorporated under the name of “The Canadian Corporate
West Life Insurance Company,” hereinafter called “the name.
Company.”

2. The persons named in section 1 of this Act, together with Provisional
such persons, not exceeding eight, as they associate with them, directors.
shall be the provisional directors of the Company, a majority of
whom shall be a quorum, and they may forthwith open stock
books, procure subscriptions of stock for the undertaking, make
calls on stock subscribed, and receive payments thereon, and Powers.
shall deposit in a chartered bank in Canada all moneys received
by them on account of stock subscribed, or otherwise received
by them on account of the Company, and shall withdraw the
same for the purposes only of the Company, and may do gene-
rally what is necessary to organize the Company.

3. The capital stock of the Company shall be one million Capital stock.
dollars, divided into shares of one hundred dollars each.

4. The head office of the Company shall be in the city of Head offices.
Winnipeg, in the province of Manitoba, or in such other place
in Canada as the Company from time to time determines.

Branch offices. 2. The directors may, from time to time, establish branches, sub-boards or agencies, either within Canada or elsewhere, as they deem expedient.

First general meeting. 5. So soon as two hundred and fifty thousand dollars of the capital stock of the Company have been subscribed, and ten per cent of that amount paid into some chartered bank in Canada, the provisional directors shall call a general meeting of the shareholders of the Company at some place to be named in the city of Winnipeg, at which meeting the shareholders present or represented by proxy, who have paid not less than ten per cent on the amount of shares subscribed for by them, shall elect nine directors, hereinafter called "shareholders' directors."

Election of shareholders' directors. Qualification. 2. No person shall be a shareholders' director unless he holds in his own name and for his own use at least fifty shares of the capital stock of the Company, and has paid all calls due thereon and all liabilities incurred by him to the Company.

Policy-holders' directors. 3. In addition to the shareholders' directors there shall be elected by the policyholders at the first annual meeting after the commencement of business and at each subsequent annual meeting, six directors, hereinafter called "policyholders' directors."

Qualification. 4. A policyholder who is a man of the age of twenty-one years, whose policies in force amount to five thousand dollars or upwards, exclusive of bonus additions or profits, and who has paid all premiums then due thereon, shall be eligible for election as a policyholders' director.

Quorum. 5. At all meetings of the directors a majority thereof shall be a quorum for the transaction of business.

President and vice-presidents. 6. The directors shall elect from among themselves a president of the Company and one or more vice-presidents.

Calls on stock. 7. The shares of the capital stock subscribed for shall be paid by such instalments and at such times and places as the directors appoint; the first instalment shall not exceed twenty-five per cent, and no subsequent instalment shall exceed ten per cent, and not less than thirty days' notice of any call shall be given; provided that the Company shall not commence the business of insurance until sixty-two thousand five hundred dollars of the capital stock have been paid in cash into the funds of the Company, to be appropriated only for the purposes of the Company under this Act; provided further that the amount so paid in by any shareholder shall not be less than ten per cent of the amount subscribed by such shareholder.

When business may be commenced. Annual meeting. 8. A general meeting of the Company shall be called once in each year after the organization of the Company and commencement of business, at its head office, and at such meeting a statement of the affairs of the Company shall be submitted.

9. Notice of the annual meeting shall be given by publication in two issues of *The Canada Gazette* at least fifteen days prior thereto, and also in six consecutive issues of a daily newspaper published in the city of Winnipeg and also in the city of Toronto; and such notice shall intimate that participating policyholders may, in accordance with the provisions of this Act, vote for and elect six directors.

Notice of
annual
meeting.

10. At all general meetings of the Company each shareholder present or represented by proxy who has paid all calls due upon his shares in the capital stock of the Company, shall have one vote for each share held by him. Every proxy must be himself a shareholder and entitled to vote.

Voting.
Proxies.

11. The Company may effect contracts of life insurance with any person, and may grant, sell or purchase life annuities, grant endowments depending upon the contingency of human life, and generally carry on the business of life insurance in all its branches and forms.

Business of
Company.

12. The Company may acquire and dispose of any real property required in part or wholly for the use and accommodation of the Company; but the annual value of such property held in any province of Canada shall not exceed five thousand dollars, except in the province of Manitoba where it shall not exceed ten thousand dollars.

Real
property.

13. The directors may, from time to time, set apart such portion of the net profits as they deem safe and proper for distribution as dividends or bonuses to shareholders and holders of participating policies, ascertaining the part thereof which has been derived from participating policies, and distinguishing such part from the profits derived from other sources; and the holders of participating policies shall be entitled to share in that portion of the profits so set apart which has been so distinguished as having been derived from participating policies to the extent of not less than ninety per cent thereof; but no dividend or bonus shall at any time be declared or paid out of estimated profits, and the portion of such profits which remains undivided upon the declaration of a dividend shall never be less than one-fifth of the dividend declared.

Distribution
of profits.

14. All persons who are actual holders of policies from the Company for one thousand dollars or upwards, whether such persons are shareholders of the Company or not, and who are by the terms of their policies entitled to participate in profits, and are referred to in this Act as holders of participating policies, shall be members of the Company and be entitled to attend and vote in person or by proxy at all general meetings of the Company, and every holder of a participating policy of the Company for a sum not less than one thousand dollars

Participating
policy-
holders.

shall be entitled to one vote for each one thousand dollars in his policy; but policyholders, as such, shall not be entitled to vote for the election of shareholders' directors.

Husband or
father.

2. A husband or father holding a participating policy on his life for the benefit of his wife or children shall be deemed a member of the Company.

Paid-up
policies issued
in certain
cases.

15. Whenever any holder of a policy other than a term or natural premium policy has paid three or more annual premiums thereon and fails to pay any further premium, or desires to surrender the policy, the premiums paid shall not be forfeited, but he shall be entitled to receive a paid-up and commuted policy for such sum as the directors ascertain and determine, or to be paid in cash such sum as the directors fix as the surrender value of the policy, such sum in either case to be ascertained upon principles to be adopted by by-law applicable generally to all such cases as may occur; provided that if such paid-up and commuted policy or such cash payment is not demanded while such original policy is in force or within twelve months after default has been made in payment of a premium thereon, the Company shall, without any demand therefor, either issue such paid-up and commuted policy, or pay to, or place to the credit of, the policyholder such cash surrender value.

R.S.C., c. 118.

16. *The Companies Clauses Act*, except sections 7, 18, 39 and 41 thereof, shall apply to the Company in so far as the said Act is not inconsistent with any provisions of this Act or of *The Insurance Act*; provided, however, that the Company may make loans to its shareholders or policyholders, not being directors, on the securities mentioned in *The Insurance Act*.

Proviso as to
loans.

R.S.C., c. 124.

17. This Act, and the Company, and the exercise of the powers hereby conferred, shall be subject to the provisions of *The Insurance Act*.

OTTAWA : Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 75.

An Act respecting the Grand Trunk Railway Company of Canada.

[Assented to 16th May, 1905.]

WHEREAS the Grand Trunk Railway Company of Canada Preamble.
has by its petition prayed that it be enacted as herein-
after set forth, and it is expedient to grant the prayer of the
said petition : Therefore His Majesty, by and with the advice
and consent of the Senate and House of Commons of Canada,
enacts as follows :—

1. The Grand Trunk Railway Company of Canada, herein-
after called “the Company,” may acquire, hold, pledge and Company may
acquire shares
and securities
of Canada
Atlantic
Railway Co.
and Canada
Atlantic
Transit Co.
dispose of preference and common shares of the capital stock of
the Canada Atlantic Railway Company, of the Canada Atlan-
tic Transit Company, incorporated by chapter 95 of the statutes
of 1898, of the Canada Atlantic Transit Company, incorporated
under the laws of the state of Minnesota, one of the United
States, and of the Vermont and Province Line Railway Com-
pany, incorporated under the laws of the state of Vermont,
and may hold the said shares in the name of the Company or
of a trustee or trustees for the Company (who may be a differ-
ent person or persons for each of the said companies), and
may acquire, hold, pledge and dispose of bonds, debentures or
other securities of any of the said companies, and may guar-
antee payment of the principal and interest of the bonds,
debentures or other securities of the Canada Atlantic Railway
Company to be issued for a principal amount not exceeding
three million two hundred and ninety-two thousand two hun-
dred pounds sterling. Guarantee
of securities.

OTTAWA : Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's
most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 76.

An Act respecting the Canadian Yukon Western Railway Company.

[Assented to 20th July, 1905.]

WHEREAS the Canadian Yukon Western Railway Com- Preamble.
pany has by its petition prayed that it be enacted as
hereinafter set forth, and it is expedient to grant the prayer
of the said petition: Therefore His Majesty, by and with the 1903, c. 102,
advice and consent of the Senate and House of Commons of amended.
Canada, enacts as follows :—

1. Section 10 of chapter 102 of the statutes of 1903 is Section 10
hereby repealed and the following substituted therefor :— repealed, and
new provision.

“10. The Company may, under the authority of the ordin- Issue of
ary shareholders given at a special general meeting duly called preference
for that purpose, at which meeting shareholders representing stock.
at least two-thirds in value of the stock are present or repre-
sented by proxy, issue any portion of its capital stock as
preferred stock, and such preferred stock shall have the special
rights and privileges defined by the following paragraphs,
that is to say :—

“(a.) The profits of each year shall be first applied to the Preferential
payment of a preferential dividend at a rate not exceeding six dividend.
per cent per annum ;

“(b.) The residue of surplus profits applicable to dividends Division
in each year shall be divided among the holders of all shares of residue.
both preferential and ordinary ;

“(c.) Nothing in this Act contained shall affect the powers Powers and
and the discretion of the directors, or impose any limit or discretion of
restriction upon such powers, as to the time and mode of directors
application and distribution of profits, or as to the establish- saved.
ment, out of profits, of a reserve fund and of a depreciation
fund ;

“(d.) The holders of such preferential stock shall be entitled Rights of
to be repaid by preference the amounts paid up on their shares holders to
out of the assets available for the return of capital, in priority repayment
to any return of capital in respect of ordinary shares of the
Company ; and, such payment excepted, the residue of surplus
assets shall belong to and be divided among the ordinary
shareholders.

Rights of
holders as to
voting, etc.

“2. The holders of such preferred stock shall have and enjoy the rights, privileges and qualifications of holders of capital stock for voting at all meetings of the shareholders and for becoming directors.”

Section 12
repealed, and
new provision.

2. Section 12 of chapter 102 of the statutes of 1903 is hereby repealed and the following substituted therefor :—

“12. If the construction of the railway is not commenced, and fifteen per cent of the amount of the capital stock is not expended thereon, within five years from the date of the passing of this Act, or if the railway is not finished and put in operation within ten years from the said date, the powers of construction conferred upon the Company by Parliament shall cease and be null and void with respect to so much of the railway as then remains uncompleted.”

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 77.

An Act respecting the Grand Council of the Catholic Mutual Benefit Association of Canada.

[Assented to 16th May, 1905.]

WHEREAS the Grand Council of the Catholic Mutual Benefit Association of Canada has, by its petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.
1893, c. 90.

1. Section 1 of chapter 90 of the statutes of 1893 is amended by adding thereto the following paragraph:—

Section 1
amended.

“(d.) to establish, manage and disburse a fund for the payment of sick benefits.”

Sick benefits.

2. The said Act is further amended by adding thereto the following sections:—

Sections
added.

“**16.** The sick benefit fund provided for by paragraph (d.) of section 1 hereof shall never be less than the legal reserve based upon such standard sickness tables as are used by the Association in the construction of its table of rates, and a rate of three and one-half per cent interest, in respect of all existing certificates, policies or other instruments of the Association providing for the payment of sick benefits.”

Sick benefit
fund.

Amount.

“**2.** The premiums or contributions payable to the sick benefit fund by a member in order to entitle him to the payment of sick benefits therefrom shall be payable monthly in advance.”

Assessments.

“**3.** No sick benefits shall be paid to any member exceeding five dollars per week, nor for more than twelve weeks in any period of twelve consecutive months.”

Amount of
benefits.

“**4.** Separate and distinct registers and books of account shall be kept by the Association, showing the members entitled to participate in the sick benefit fund, the receipts and payments in respect thereof, the amounts from time to time chargeable against it, and every other matter and detail of which an account ought to be kept.”

Accounts to
be kept.

Funds to be
appropriated
to sick benefits
only.

“5. The sick benefit fund and securities representing it shall alone be available for the payment of sick benefits, and no other assets or securities of the Association shall be available for that purpose.

By-laws.

“6. For the purpose of carrying out the provisions of this section, the Association, or the trustees thereof under the authority of the Association, may make such by-laws, not contrary to law, as are deemed necessary or expedient.

When deposit
may be
required.

“17. Notwithstanding anything contained in *The Insurance Act*, the Association shall not be required to make any deposit in order to entitle it to commence and carry on the business of collecting and paying sick benefits by this Act authorized; provided that the Treasury Board may require a deposit not exceeding ten thousand dollars to be made from the said fund so soon as the required amount is available for such purposes.”

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4-5 EDWARD VII.

CHAP. 78.

An Act respecting the Central Counties Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Central Counties Railway Company has Preamble.
by its petition prayed that it be enacted as hereinafter
set forth, and it is expedient to grant the prayer of the said
petition: Therefore His Majesty, by and with the advice and
consent of the Senate and House of Commons of Canada,
enacts as follows :—

1. The railways authorized by the Acts relating to the Time for
Central Counties Railway Company shall be completed and construction
put in operation within five years after the passing of this Act, of railways
otherwise the powers of construction shall cease and be null extended.
and void as respects so much of the said railways as then
remains uncompleted.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 79.

An Act respecting the Ottawa River Railway Company, and to change its name to "The Central Railway Company of Canada."

[Assented to 7th June, 1905.]

WHEREAS the Ottawa River Railway Company has, by Preamble.
its petition, prayed that it be enacted as hereinafter set
forth, and it is expedient to grant the prayer of the said peti- 1903, c. 172 ;
tion : Therefore His Majesty, by and with the advice and con- 1904, c. 112.
sent of the Senate and House of Commons of Canada, enacts
as follows :—

1. The name of the Ottawa River Railway Company, herein- Name
after called "the Company," is changed to "The Central Rail- changed.
way Company of Canada," but such change in name shall not
in any way impair, alter or affect the rights or liabilities of
the Company, nor in any wise affect any suit or proceeding Existing
now pending, or judgment existing either by, or in favour of, rights saved.
or against the Company, which, notwithstanding such change
in the name of the Company, may be prosecuted, continued,
completed and enforced as if this Act had not been passed.

2. Section 1 of chapter 112 of the statutes of 1904 is 1904, c. 112,
amended by adding after the word "Ottawa," in the third s. 1 amended.
line, the following words : "and thence to some point on the
Georgian Bay, at or near Midland, passing through the
counties of Russell, Carleton, Lanark, Frontenac, Lennox and
Addington, Renfrew, Hastings and Haliburton, the districts Line of rail-
of Muskoka and Parry Sound, and the county of Simcoe." way.

3. Section 9 of chapter 172 of the statutes of 1903, as 1903, c. 172,
amended by section 3 of chapter 112 of the statutes of 1904, s. 9 amended.
is further amended by adding at the end of the said section 3
the words "the Ottawa Valley Railway Company, the Ottawa
River Railway Company, and the Quebec Southern Railway Agreements
Company." with other
companies.

Section 9 amended.

4. The said section 9 is further amended by substituting in subsection 2, "section 281 of *The Railway Act*, 1903," for the words "section 239 of *The Railway Act*," and by adding thereto the following subsection:—

Power to acquire undertakings of other companies.

"4. The Company may acquire or lease from any one or more of the companies mentioned in subsection 1 hereof the railway and undertaking of each of such companies, in whole or in part, and the rights, powers, privileges and franchises thereof."

Repeal of sections extending time.

5. Section 13 of chapter 172 of the statutes of 1903, and sections 4 and 5 of chapter 112 of the statutes of 1904, are repealed, and the charter of the Company and its rights thereunder are hereby declared to be in full force as if the said section 13 had not been passed.

Deposit of security.

6. The Company shall deposit with the Government, within six months from the passing of this Act, the sum of twenty-five thousand dollars as a guarantee for the commencement of the construction of the line, otherwise this charter shall become null and void; and the said sum shall be repaid to the Company as the work progresses.

Branches.

7. The Company may construct a branch line from St. Eustache to Terrebonne, in the county of Terrebonne, and another branch line from a point on its main line on the Island of Montreal to Ste. Geneviève, in the county of Jacques Cartier.

Time for construction of railway extended.

8. The construction of the railway, and branches hereby authorized, of the Ottawa River Railway Company may be commenced, and fifteen per cent on the amount of the capital stock expended thereon, within two years after the passing of this Act, and the railway finished and put in operation within five years after the passing of this Act; and if the railway is not so commenced and such expenditure is not so made, or if the railway is not finished and put in operation, within the said respective periods, the powers granted to the said Company by Parliament shall cease and be null and void as respects so much of the railway as then remains uncompleted.



4-5 EDWARD VII.

CHAP. 80.

An Act respecting the Century Life Insurance Company.

[Assented to 16th May, 1905.]

WHEREAS the Century Life Insurance Company has, by its petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Notwithstanding the provisions of section 24 of *The Insurance Act*, the time limited therein for obtaining a license from the Minister, authorizing the Century Life Insurance Company to carry on the business of life insurance, is extended for one year from the twenty-third day of May, one thousand nine hundred and five.

Preamble.
1901, c. 93;
1903, c. 104;
1904, c. 66.

R.S.C., c. 124.
Time
extended for
obtaining
license.

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4-5 EDWARD VII.

CHAP. 81.

An Act respecting the Citizens' Bank of Canada.

[Assented to 16th May, 1905.]

WHEREAS the provisional directors of the Citizens' Bank of Canada have, by its petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.
1903, c. 106.

1. Notwithstanding anything contained in *The Bank Act*, or in chapter 106 of the statutes of 1903, incorporating the Citizens' Bank of Canada, the Treasury Board may within one year from the date of the passing of this Act give to the Citizens' Bank of Canada, hereinafter called "the Bank," the certificate required by section 14 of *The Bank Act*.

Extension of
time for
Treasury
Board
certificate.
1890, c. 31,
s. 14.

2. In the event of the Bank not obtaining the said certificate from the Treasury Board within the time aforesaid, the rights, powers and privileges conferred on the Bank by the said Act of incorporation and by this Act shall thereupon cease and determine, but otherwise shall remain in full force and effect notwithstanding section 16 of *The Bank Act*.

Application of
1890, c. 31,
s. 16, as to
charter.

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4-5 EDWARD VII.

CHAP. 82.

An Act respecting the Columbia and Western Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Columbia and Western Railway Company has, by its petition, prayed that it be enacted as herein-after set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.
B.C., 1896,
c. 54.
1898, c. 61;
1899, c. 63;
1901, c. 56.

1. The Columbia and Western Railway Company may, within five years after the passing of this Act, construct and complete the railways which it has been authorized to construct; provided that as to so much thereof as is not constructed within that period the powers of the said Company shall cease and determine.

Time for construction of railways extended.

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4-5 EDWARD VII.

CHAP. 83.

An Act to incorporate the Crown Casualty Company of Canada.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it be Preamble.
enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition : Therefore His Majesty,
by and with the advice and consent of the Senate and House
of Commons of Canada, enacts as follows :—

1. Robert Alfred Ernest Greenshields, Alexander Wardrope Incorporation.
Greenshields Macalister, Errol Languedoc, Alexander Camp-
bell Calder and William Dalme Garland, all of the city of
Montreal, together with such persons as become shareholders
in the company, are incorporated under the name of “The Corporate
Crown Casualty Company of Canada,” hereinafter called “the name.
Company.”

2. The persons named in section 1 of this Act shall be the Provisional
first or provisional directors of the Company, of whom a directors.
majority shall be a quorum.

3. The head office of the Company shall be in the city of Head office.
Montreal, but the Company may establish agencies or branches Branch offices.
elsewhere.

4. The capital stock of the Company shall be fifty thousand Capital stock.
dollars, divided into shares of one hundred dollars each.

2. The directors may, after the whole capital stock has been Increase
subscribed and fifty per cent paid thereon in cash, increase the of capital.
amount of the capital stock from time to time to an amount
not exceeding two hundred thousand dollars, subject to the
conditions in section 5 hereof; but the stock shall not be in-
creased until a resolution of the board of directors authorizing
such increase has been first submitted to and confirmed by two-
thirds in value of the shareholders present or represented by
proxy at a special general meeting of the shareholders duly
called for that purpose.

Calls on stock. **5.** Ten per cent upon the stock subscribed shall be paid at the time of subscription; no subsequent call shall exceed ten per cent, nor be made at periods of less than two months' interval: Provided that no instalment shall be payable, unless thirty days' notice thereof has been given in one newspaper published in the city of Montreal, and by circular addressed to each shareholder at his last known address.

Forfeitures of shares for non-payment. **2.** If any shareholder refuses or neglects to pay any instalment due upon any share held by him at the time when he is required to do so, such shareholder shall forfeit such share, together with the amount previously paid thereon, and such forfeited share may be sold at public sale by the directors, after such notice as they direct, and the moneys arising therefrom shall be applied for the purposes of this Act: Provided that in case the amount produced by any sale of shares is more than sufficient to pay all arrears and interest, together with the expenses of such sale, the surplus money shall be paid on demand to the owner, and no more shares shall be sold than are deemed necessary to pay such arrears and expenses.

Disposal thereof.

Proviso.

First general meeting. **6.** So soon as twenty-five thousand dollars of the capital stock has been subscribed, and ten per cent of that amount paid into some chartered bank in Canada, to be withdrawn only for the purposes of the Company, the directors may call a general meeting of the shareholders at some place to be named in the city of Montreal, giving at least ten days' notice thereof by registered letter mailed to each shareholder to his address as then given in the books of the Company, at which meeting the shareholders present or represented by proxy shall elect a board of five directors, a majority of whom shall be a quorum.

Notice.

Election of directors.

Quorum and qualification of directors. **2.** No person shall be a director unless he is the holder of at least ten shares of the capital stock of the Company and has paid all calls due thereon, and all liabilities incurred by him to the Company.

Annual meeting. **7.** The annual general meeting of the shareholders for the election of directors and other purposes shall be held on the second Wednesday in March in each year at the city of Montreal, or at such other place in Canada as is appointed by by-law of the Company, and notice of the hour and place of such meeting shall be given in the manner required in the next preceding section, and by advertisement published at least twice within ten days prior thereto in some newspaper published in the city of Montreal.

Notice.

Business of Company. **8.** The Company may make contracts of insurance against loss of, or damage to, plate or other glass; and the Company may cause itself to be insured against any loss by the risk it incurs in the course of its business.

9. The Company shall not commence the business of insurance until at least ten thousand dollars have been paid into some chartered bank in Canada on account of the capital stock, which shall be withdrawn for the purposes of the Company only.

Amount to be
paid up before
business
commenced.

10. Notwithstanding anything therein contained, *The Companies Clauses Act*, except sections 18 and 39 thereof, shall apply to the Company, in so far as it is not inconsistent with any of the provisions of *The Insurance Act* or of this Act.

R.S.C., c. 118.

11. This Act, and the Company, and the exercise of the powers hereby conferred, shall be subject to *The Insurance Act*.

R.S.C., c. 124.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 84.

An Act to amend "An Act respecting certain patents of William A. Damen."

[Assented to 20th July, 1905.]

WHEREAS a petition has been presented by William A. Damen, of the city of Toronto, in the county of York, praying that it be enacted as hereinafter set forth, and it is expedient to grant the prayer thereof: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.

1. Chapter 72 of the statutes of 1904 is hereby amended by inserting after the word "wires," in the seventeenth line of the preamble thereof, the words "and patent number fifty-four thousand seven hundred and seven, dated the twenty-second day of January, one thousand eight hundred and ninety-seven, for improvements in apparatus for making pneumatic tires," and the effect of the said statute is extended to the said preamble as so amended.

1904, c. 72.
preamble
amended.

2. Section 1 of the said Act is amended by striking out the words "nineteen hundred and four" in the sixth and seventh lines thereof, and substituting therefor the words "nineteen hundred and six."

Section 1
amended.

3. If any person other than any licensee, has, in the period between the expiry of two years from the date of the said letters patent number fifty-four thousand seven hundred and seven, or of any authorized extension thereof, and the date of the passing of this Act, commenced to manufacture, use and sell, in Canada, the invention covered by the said letters patent number fifty-four thousand seven hundred and seven, such person may continue to manufacture, use and sell such invention in as full and ample a manner as if this Act had not been passed.

Certain rights
saved.



4-5 EDWARD VII.

CHAP. 85.

An Act respecting the Dominion Atlantic Railway Company.

[Assented to 20th July, 1905.]

WHEREAS the Dominion Atlantic Railway Company has Preamble.
by its petition prayed that it be enacted as hereinafter
set forth, and it is expedient to grant the prayer of the said
petition: Therefore His Majesty, by and with the advice and
consent of the Senate and House of Commons of Canada,
enacts as follows:—

1. The Dominion Atlantic Railway Company, hereinafter
called “the Company,” may purchase the undertaking, pro- Power to
purchase
Midland Ry.
Co. of Nova
Scotia.
perty, assets, rights, privileges and franchises of the Midland
Railway Company, Limited, a company incorporated by
chapter 85 of the statutes of 1896 of Nova Scotia, and may,
after such purchase, use and exercise such of the said rights,
privileges and franchises as are not inconsistent with or in ex-
cess of the rights, privileges and franchises conferred or grant-
ed by *The Railway Act*, 1903, or by any other Act now or
hereafter applicable to the Company.

2. The said railway as constructed from Windsor, in the To be known
as Midland
Division of
Dominion
Atlantic Ry
Co.
county of Hants, to a point at or near Truro, in the county of
Colchester, and the rolling stock, equipment, sidings, bran-
ches, terminals and other property appurtenant to the said rail-
way, when acquired by the Company, shall become part of the
Dominion Atlantic Railway and be subject to *The Railway
Act*, 1903, and shall be operated by the Company and be
designated and known as “the Midland Division of the
Dominion Atlantic Railway”; and the said Midland Division Declaratory.
is hereby declared to be a work for the general advantage
of Canada.

3. The Company may issue securities upon the said Midland Issue of
securities
thereon.
Division of its railway for an amount not exceeding five
thousand pounds sterling per mile of the said division as now
constructed or hereafter to be constructed.

Creditors of
Midland Ry.
Co.

4. Nothing in this Act shall alter, impair or affect the rights of bondholders, debenture holders, or creditors of the Midland Railway Company, Limited.

Line of
railway
authorized

5. If the Company acquires the said railway, undertaking and property of the Midland Company, the Company may lay out, construct and operate in the county of Colchester, in the province of Nova Scotia, a line of railway beginning at a point on the said Midland Division of its railway, or on the Inter-colonial Railway, at or near the town of Truro, and running thence northerly to Northumberland Strait.

Time for
construction.

2. The said railway shall be commenced within two years, and completed within five years, after the passing of this Act, otherwise the powers hereby granted for its construction shall cease as to so much thereof as then remains uncompleted.

Issue of
securities on
new line.

6. In addition to the bonds, debentures or other securities which the Company is authorized to issue by any of the Acts relating to the Company, or by section 3 of this Act, the Company may issue securities upon the said line of railway authorized by the next preceding section of this Act for an amount not exceeding five thousand pounds sterling per mile of the said line of railway constructed or under contract to be constructed.

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4-5 EDWARD VII.

CHAP. 86.

An Act respecting the Kingston and Dominion Central Railway Company, and to change its name to "The Dominion Central Railway Company."

[Assented to 7th June, 1905.]

WHEREAS the Kingston and Dominion Central Railway Company has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.
1904, c. 90.

1. The name of the Kingston and Dominion Central Railway Company, hereinafter called "the Company," is changed to "The Dominion Central Railway Company," but such change in name shall not in any way impair, alter or affect the rights or liabilities of the Company, nor in any wise affect any suit or proceeding now pending or judgment existing either by, or in favour of, or against, the Company, which, notwithstanding such change in the name of the Company, may be prosecuted, continued, completed and enforced as if this Act had not been passed.

Name changed.
Existing rights not affected.

2. The Company may construct and operate the following branch lines:—

Branch lines authorized.

(a.) from a point at or near the village of Newboro', in the county of Leeds, thence in a generally easterly direction to the city of Montreal, passing through the counties of Leeds, Grenville, Dundas, Stormont, Glengarry, Soudan, Vaudreuil, Jacques Cartier and Hochelaga;

Newboro' to Montreal.

(b.) from a point at or near the village of Newboro', thence in a generally northerly direction to the city of Ottawa, passing through the counties of Leeds, Lanark and Carleton.

Newboro' to Ottawa.

3. All the provisions contained in the Company's Act of incorporation shall apply to the said branch lines.

Application of 1904, c. 90.

Time for
construction
limited.

4. Each of the said branch lines shall be commenced within two years and completed within five years after the passing of this Act, otherwise the powers hereby granted for its construction shall cease and be null and void as to so much thereof as is not commenced and completed within the said periods respectively.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 87.

An Act to incorporate the Edmonton Boom Company.

[Assented to 20th July, 1905.]

WHEREAS a petition has been presented praying that it Preamble.
be enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition: Therefore His Majesty,
by and with the advice and consent of the Senate and House
of Commons of Canada, enacts as follows:—

1. Daniel Robert Fraser, Alexander Fraser, John Mac- Incorporation.
Donald, all of the city of Edmonton, John Walter, Robert
Andrew Blain, and Algernon Egerton Mayall, all of the town
of Strathcona, in the North-west Territories, and Theodore A.
Burrows, of Winnipeg, Manitoba, together with such persons
as become shareholders in the company, are incorporated
under the name of "The Edmonton Boom Company," herein- Corporate
after called "the Company." name.

2. The said Daniel Robert Fraser, Alexander Fraser, John Provisional
MacDonald, John Walter, Robert Andrew Blain, Algernon
Egerton Mayall and Theodore A. Burrows are constituted
provisional directors of the Company, a majority of whom directors.
shall form a quorum, and they may forthwith open stock Powers.
books, procure subscriptions of stock for the undertaking of
the Company, receive payment on account of stock subscribed,
and generally carry on the business of the Company.

3. The capital stock of the Company shall be fifty thousand Capital stock.
dollars, divided into shares of one hundred dollars each, and
may be called up by the directors from time to time as they
deem necessary, but no call shall exceed ten per cent of
the shares subscribed.

4. The directors may, with the approval of the Governor in Increase
Council, after the whole of the capital stock has been sub- of capital.
scribed, and fifty per cent paid thereon in cash, increase the
amount of the capital stock from time to time to an amount

not exceeding two hundred thousand dollars; but the capital stock shall not be so increased until a resolution of the board of directors authorizing such increase has first been submitted to and approved of by a vote of the shareholders who hold at least two-thirds in amount of the subscribed stock of the Company at a special general meeting of the shareholders duly called for that purpose.

Head office.

5. The head office of the Company shall be in the city of Edmonton, or in such other place in Canada as the directors from time to time determine by by-law.

Annual meeting.

6. The annual meeting of the Company shall be held on the second Monday in January in each year, at which meeting five persons shall be elected directors of the Company.

First general meeting.

7. So soon as twenty-five per cent of the capital stock has been subscribed, and ten per cent thereof has been paid into some chartered bank in Canada, the provisional directors shall call a meeting of the shareholders at the head office of the Company, at which meeting the shareholders present or represented by proxy who have paid in not less than ten per cent of the amount of shares subscribed for by them, shall elect a board of five directors.

Notice of meeting.

8. Notice of such meeting shall sufficiently be given by mailing it, postage prepaid, at least thirty days previous to the date of the meeting to each shareholder at his post office address shown in the books of the Company.

Business of Company.

9. For the purpose of collecting, holding, protecting, driving, rafting, towing, separating, sorting, storing, delivering, and all other purposes incidental to the reception, safe-keeping and transmission of timber, saw-logs, pulpwood, and other lumber coming down the North Saskatchewan river and on the waters tributary thereto, in the North-west Territories, the Company, from time to time, and subject to the other provisions of this Act, may, at and above Edmonton, construct, acquire, hold, maintain, use and operate the works authorized by this section, together with all such lands, buildings, structures, machinery and other appliances appurtenant to such works, as are necessary or convenient for the said purposes or any of them, that is to say:—

(a.) on or in the waters of the North Saskatchewan river and on the waters tributary thereto, at and above Edmonton, such dams, temporary dams, slides, wharfs, docks, piers, booms, and other works as are necessary for, or incidental to, the said purposes;

(b.) the Company may, in the waters of the North Saskatchewan river, at and above Edmonton, and on the waters tributary thereto, remove or lessen obstructions or impediments to or hindrances of navigation.

10. Nothing in this Act contained shall authorize the exercise of any power conferred by this Act so as to interfere with free navigation on the said river or any of the waters tributary thereto, or to the detriment of the free and uninterrupted passage of any timber, saw-logs, pulpwood, or other lumber, belonging to persons other than the Company.

Navigation
not to be
interfered
with.

2. Whenever a boom is so situated as in any way to interfere with the channel, the Company shall provide at its own cost and expense a sufficient number of men and station them at the boom for the purpose of opening and closing the boom. The opening in the boom shall be of such width as is determined by regulation made under this Act by the Governor in Council, and shall be opened promptly and so as to cause no delay; and the necessary steps shall be taken for keeping the channel clear for the passage of vessels and rafts, and of timber, saw-logs, pulpwood and other lumber belonging to persons other than the Company; and, in addition to any claims against the Company for damages, any officer or servant of the Company in charge of such boom who neglects to carry out the provisions of this section shall be liable to a penalty not exceeding thirty dollars, which may be recovered before any justice of the peace in a summary manner.

Regulations
respecting
booms.

11. Plans and specifications of such proposed works, alterations or enlargements, showing the site, location and character thereof, shall be filed in the office of the Minister of Public Works of Canada, and in the office of the Dominion Lands agent at the city of Edmonton, or in such other place in the city of Edmonton as is directed by the said Minister of Public Works; and forthwith thereafter the Company shall give public notice for one month of such deposit in *The Canada Gazette* and at least one newspaper published in the city of Edmonton, stating the date, hour and place at which an application will be made to the Governor in Council for his approval to be given to such plans; and the Governor in Council, after hearing such application and determining all matters in relation thereto then brought before him by any person interested, may approve of such plans; and until such approval the Company shall have no authority to proceed with the construction, alteration or enlargement of such works or any of them.

Plans of
works to be
filed.

Approval
of plans.

12. The Governor in Council may, from time to time, make such orders and regulations as he deems expedient for the maintenance and operation of the Company's works, and for carrying out the provisions of this Act.

Works may be
regulated
by Order in
Council.

13. The Company may, so long as the works are maintained in an efficient state (such efficient state to be, in the event of dispute, settled by the said Minister of Public Works), levy and collect tolls, dues and charges on timber, saw-logs, pulpwood and other lumber, if the services are such for which tolls, dues and charges may be levied and the tariff thereof have

Collection
of tolls.

Tariff to be approved. been first approved of by the Governor in Council and upon publication thereof in *The Canada Gazette* and in one newspaper published in the city of Edmonton ; and the Governor in Council may, from time to time, alter and amend such tariff

Lien for tolls. of dues, tolls and charges ; and the Company shall hold a lien for such tolls, dues and charges upon the said logs, timber and lumber in respect of which such dues are chargeable. Provided, however, that in fixing such tolls the Company shall not be permitted to take into consideration the cost of any permanent or temporary booms and piers constructed for the purpose of storage of logs at any mill.

Public to have equal rights with Company. . **14.** The works of the Company shall be open to the use of the public at all reasonable times on equal terms.

Construction of tugs, etc., for towing. **15.** The Company may construct, acquire, charter, navigate and maintain tugs, boats and other craft for towing logs and for other use in and about the management of the said booms, and also, for its own use only, construct, maintain and operate telegraph, telephone and electric lines in connection with its business and works upon the said river and waters tributary thereto.

Telegraph, telephone and electric lines. **16.** If the construction of any of the said works and improvements is not commenced within two years after the passing of this Act, or if any such work or improvement is not finished and put in operation within five years after the passing of this Act, the powers for the construction thereof granted by this Act shall cease and be null and void as respects so much of the said works or improvements as then remains uncompleted.

Time for construction of works limited.

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4-5 EDWARD VII.

CHAP. 88.

An Act respecting the Edmonton, Yukon and Pacific Railway Company.

[Assented to 20th July, 1905.]

WHEREAS the Edmonton, Yukon and Pacific Railway Company has, by its petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition : Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

Preamble.
1896 (1st Sess.)
c. 117 ;
1898, c. 63 ;
1899, c. 64 ;
1901, c. 57 ;
1903, c. 116.

1. The Edmonton, Yukon and Pacific Railway Company may, within two years after the passing of this Act, proceed with the construction of the line of railway which the said Company has been authorized to construct from some point within the town of Edmonton, in the district of Alberta, thence in a southerly direction to a point in South Edmonton on the Calgary and Edmonton Railway, and to connect therewith ; and if the said line of railway is not so proceeded with, and completed within five years from the passing of this Act, then the powers granted for such construction shall cease and be null and void as respects so much of the said railway as then remains uncompleted.

Time for construction of railway from Edmonton to South Edmonton.

2. The said Company may, within two years after the passing of this Act, commence the construction of the other lines of railway which have been authorized by the Acts relating to the said Company ; and if the said lines of railway are not so commenced and completed within five years from the passing of this Act, then the powers granted for such construction shall cease and be null and void as respects so much of the said lines as then remains uncompleted.

Time for other railways.

3. Chapter 116 of the statutes of 1903 is repealed.

1903, c. 116 repealed.



4-5 EDWARD VII.

CHAP. 89.

An Act respecting certain patents of Jean Effront.

[Assented to 16th May, 1905.]

WHEREAS Jean Effront, of Brussels, in the Kingdom of Preamble.
Belgium, has, by his petition, represented that he is the holder and owner of certain patents issued under the seal of the Patent Office, viz.: patent number fifty-nine thousand five hundred and eighty-five, dated the twelfth day of April, eighteen hundred and ninety-eight, for improvements in the fermentation of worts which have been rendered antiseptic, and patent number sixty-two thousand nine hundred and fifty-three, dated the thirteenth day of April, eighteen hundred and ninety-nine, for an improved process for fermenting amylaceous substances; and whereas the said Jean Effront has, by his petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Notwithstanding anything in *The Patent Act*, as Patents declared to be still in force.
amended by chapter 46 of the statutes of 1903, or in the patents mentioned in the preamble, the said patents are declared not to have become null and void and not to have ceased and determined under paragraph (a) of section 4 of chapter 46 of the statutes of 1903, and shall not become null and void and 1903, c. 46.
shall not cease and determine if, within six months after the passing of this Act, the manufacture under the said patents is commenced, and after such commencement is continuously Manufacture to be commenced within one year.
carried on in Canada, in such a manner that any party desiring to use it may obtain it, or cause it to be made for him at a reasonable price at some manufactory or establishment for making or constructing it in Canada.

2. Notwithstanding anything in *The Patent Act*, or in Commissioner of Patents may make order respecting conditions as to proper, manufacture.
section 7 of chapter 46 of the statutes of 1903, the Commissioner of Patents may, within six months after the passing of this Act, receive petitions and, if in his discretion he thinks

proper, grant orders under the said section 7, that such patents, instead of being subject to the conditions set forth in paragraph (a) of section 4 of chapter 46 of the statutes of 1903, shall be subject to the conditions set forth in paragraphs (a), (b), (c) and (d) of the said section 7.

Certain rights
saved.

3. If any person has, in the period between the expiry of two years from the date of the said patents respectively and the date of the passing of this Act, commenced to manufacture and use and sell in Canada any of the patented inventions covered by the said patents respectively, such person may continue to manufacture, use and sell such inventions in as full and ample a manner as if this Act had not been passed.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 90.

An Act respecting the Esquimalt and Nanaimo Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Esquimalt and Nanaimo Railway Company Preamble. and the Canadian Pacific Railway Company have, by their petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petitions: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

1. The railway of the Esquimalt and Nanaimo Railway Declaratory. Company, hereinafter called “the Company,” is declared to be a work for the general advantage of Canada.

2. The securities issued by the Company shall not exceed Issue of securities. thirty thousand dollars per mile of its railway and branches and extensions thereof, and may be issued only in proportion to the length of railway constructed or under contract to be constructed.

3. Any agreement provided for in section 281 of *The* Agreement with C. P. R. Co. *Railway Act*, 1903, may be entered into between the Company and the Canadian Pacific Railway Company.

4. Nothing in this Act shall prejudicially affect the respec- B.C., 1884, c. 14. tive rights and liabilities of the province of British Columbia and of the Company, now existing or which heretofore existed by virtue of the provisions of the Act of the Legislature of the said province, 47 Victoria, chapter 14.



4-5 EDWARD VII.

CHAP. 91.

An Act respecting certain patents of the Facer Solid Steel Car Wheel Company of Perth, Limited.

[Assented to 16th May, 1905.]

WHEREAS the Facer Solid Steel Car Wheel Company of Perth, Limited, has, by its petition, represented that it is the owner of certain patents issued under the seal of the Patent Office, viz.: patent number thirty-five thousand two hundred and one, dated the thirteenth day of October, one thousand eight hundred and ninety, for new and useful improvements in the process of manufacturing steel car wheels; patent number thirty-five thousand two hundred and two, dated the thirteenth day of October, one thousand eight hundred and ninety, for new and useful improvements on steam hammer for forging steel wheels; patent number thirty-five thousand two hundred and eighty-three, dated the twenty-fourth day of October, one thousand eight hundred and ninety, for new and useful improvements on steam hammers for forging steel wheels; and patent number fifty-one thousand six hundred and eight, dated the tenth day of March, one thousand eight hundred and ninety-six, and patent number fifty-three thousand three hundred and twenty-one, dated the twenty-fourth day of August, one thousand eight hundred and ninety-six, for new and useful improvements on machines for forging car wheels; and whereas the said company has, by its petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Notwithstanding anything in *The Patent Act*, or in patent number fifty-three thousand three hundred and twenty-one mentioned in the preamble, the Commissioner of Patents may receive from the Facer Solid Steel Car Wheel Company of Perth, Limited, the application for a certificate of payment and the usual fees upon the said patent for the remainder of the term of eighteen years from the date thereof, and may

Commissioner
of Patents
may extend
duration of a
certain patent.

grant and issue to the said company the certificate of payment of fees provided by *The Patent Act*, and an extension of the period of duration of the said patent to the full term of eighteen years in as full and ample a manner as if the application therefor had been duly made within six years from the date of the issue of the said patent.

Certain right
saved.

2. If any person has, within the period between the twenty-fourth day of August, one thousand nine hundred and two, and the extension hereunder of patent number fifty-three thousand three hundred and twenty-one, commenced to manufacture, use and sell in Canada the invention covered by the said letters patent, such person may continue to manufacture, use and sell such invention in as full and ample a manner as if this Act had not been passed.

Commissioner
of Patents
may extend
duration
of certain
patents.

3. Notwithstanding anything in *The Patent Act*, or in the respective patents numbers thirty-five thousand two hundred and one, thirty-five thousand two hundred and two, and thirty-five thousand two hundred and eighty-three mentioned in the preamble, the Commissioner of Patents may receive from the said Facer Solid Steel Car Wheel Company of Perth, Limited, on or before the thirteenth day of October, one thousand nine hundred and five, an application for a certificate of payment of a fee of thirty dollars in respect of each of such patents, and may grant and issue to the said company the certificate of payment of the said fees and an extension of the period of the duration of each of such patents, in respect of which such fees have been paid, for a term of nine years from the thirteenth day of October, one thousand nine hundred and five, and upon payment of the said fee, and receiving the said certificate, the said patents in respect of which such fee has been paid and such certificate has been granted are hereby extended and renewed and declared to be in force for a term of nine years from the thirteenth day of October, one thousand nine hundred and five.

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4 - 5 EDWARD VII.

CHAP. 92.

An Act respecting the Farmers Bank of Canada.

[Assented to 20th July, 1905.]

WHEREAS the Farmers Bank of Canada has by its petition Preamble.
prayed that it be enacted as hereinafter set forth, and it
is expedient to grant the prayer of the said petition : Therefore 1904, c. 77.
His Majesty, by and with the advice and consent of the Senate
and House of Commons of Canada, enacts as follows :—

1. Notwithstanding anything contained in *The Bank Act*, Time for giving certificate of Treasury Board extended. 1890, c. 31.
or in chapter 77 of the statutes of 1904 incorporating the
Farmers Bank of Canada, the Treasury Board may, within
two years after the eighteenth day of July, one thousand nine
hundred and four, give to the said Bank the certificate required
by section 14 of *The Bank Act*.

2. In the event of the said Bank not obtaining the said Powers of Bank to cease if certificate not obtained.
certificate from the Treasury Board within the time aforesaid,
the rights, powers and privileges conferred on the said Bank
by the said Act of incorporation and by this Act shall there-
upon cease and determine, but otherwise shall remain in full
force and effect notwithstanding section 16 of *The Bank Act*.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 93.

An Act to incorporate the Fessenden Wireless Telegraph Company of Canada.

[Assented to 20th July, 1905.]

WHEREAS a petition has been presented praying that it be Preamble.
enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition: Therefore His Majesty,
by and with the advice and consent of the Senate and House
of Commons of Canada, enacts as follows:—

1. Reginald Aubrey Fessenden, electrical engineer, of Incorporation.
Washington, United States of America; Thomas Fyshe, gen-
eral manager Merchants Bank of Canada, of Montreal; Edward
Walter Rathbun, manufacturer, of Deseronto, Ontario; Wil-
liam Inkerman Gear, steamship owner and agent; Frederick
Minden Cole, insurance broker, and George Washington Ste-
phens, general agent, all three of Montreal, together with such
other persons as may become shareholders in the company, are
hereby incorporated under the name of "The Fessenden Wire- Corporate
less Telegraph Company of Canada," hereinafter called "the name.
Company."

2. The persons named in section 1 of this Act are consti- Provisional
tuted provisional directors of the Company. directors.

3. The capital stock of the Company shall be two hundred Capital and
thousand dollars and shall be divided into shares of one hun- shares.
dred dollars each, and may be called up by the directors from Calls.
time to time as they deem necessary, but no one call shall ex-
ceed ten per cent on the shares subscribed.

4. At any time after the whole capital stock of the Com- Increase of
pany has been subscribed and fifty per cent thereon has been capital.
paid up, the directors may, by by-law approved by the Gover-
nor in Council, increase or decrease the capital stock of the
Company to any amount which they consider requisite for the
due carrying out of the undertakings of the Company.

Assent of
shareholders
to increase or
reduction of
capital

5. No by-law for increasing or reducing the capital stock shall have any force or effect until it is approved of by the votes of holders of at least two-thirds in value of the subscribed capital stock present or represented by proxy at a special general meeting duly called for the purpose of considering such by-law.

Head office.

6. The head office of the Company shall be in the city of Montreal, in the province of Quebec, or in such other place in Canada as the Company from time to time determines by by-law passed at any annual meeting or at a general meeting of the shareholders duly called for the purpose of considering such proposed by-law.

General
powers.

7. The Company may establish, construct, maintain and operate all works and appliances requisite or necessary to direct and conduct a business of telegraphic or other communication by means of wireless or other electric or magnetic system, and to such end, and subject to the approval of the Governor in Council, may construct, establish, equip, install, maintain and operate stations suitable and useful for conducting a business of wireless electric communication, or for other purposes for which the same may be used over and under any lands and water and between lands and water, and establish, construct or acquire by purchase, lease or otherwise, and also subject to such approval, operate all such lines or systems of magnetic, electric or other telegraphic communication as is necessary, incidental or advantageous thereto, and may lay such telegraphic or other lines, wires or cables upon, over or under any lands, streams or other waters within the legislative authority of the Parliament of Canada, either for its own purposes or to make connection with the lines or other facilities or means of communication of any government or person having powers similar to those of the Company.

Power to
acquire lands,
etc.

8. The Company may acquire by purchase, lease or otherwise, for the purposes of its business or undertaking, any and all lands, property, buildings, constructions and works, or any interest or interests therein.

Powers to deal
in electrical
apparatus, etc.

9. The Company may manufacture, purchase, lease, rent, sell, install, equip and license the use of, and in any and every way deal in electric or magnetic apparatus, instruments and appliances, and may buy, obtain, acquire, hold, hire, exploit and deal in Canadian and foreign inventions, discoveries, patents, patent rights, claims and interests to such apparatus, instruments and appliances.

Agreements
with other
companies.

10. The Company may enter into agreements with any government in Canada or with any corporation or person for the purpose of establishing, constructing and operating its works or systems.

11. The Company may enter into any arrangements with any government in Canada or with any corporation or person owning or controlling any line of telegraphic or telephonic communication, or any system of signalling, or any power or right to use communications of that nature, to use such lines or systems, or cables or telegraphic, telephonic or other means of communication, facilities or works, upon such terms and in such manner as the directors from time to time deem expedient.

Use of other lines, systems works, etc.

12. The Company may transmit messages and communications for the public and collect rates and charges therefor; but no rates or charges shall be demanded or taken for the transmission of any message or communication unless they have been approved of by the Governor in Council, who may also revise such rates and charges from time to time.

Rates to be approved by Governor in Council.

13. The Company may enter upon the lands of any person or corporation whatsoever, and survey the same, and set out and ascertain such parts thereof as it thinks necessary and proper for the construction and erection of the works of the Company or its said lines of telegraph or system, and take possession of and use the same for such purpose; and when the said lines or system pass through any wood, cut down the trees and underwood for the space of fifty feet on each side of the said lines or system, doing as little damage as may be in the execution of the several powers hereby granted; and the Company shall make compensation and satisfaction whenever required so to do, to the owners or proprietors of, or the persons interested in, the lands so entered upon, for all damage, including the cutting of trees and underwood, by them sustained resulting from the execution of any of the powers granted by this Act.

Right of entry on lands.

Taking of lands.

Compensation.

2. The provisions of *The Railway Act*, 1903, with respect to expropriation, arbitration and compensation for damages shall apply, *mutatis mutandis*, to the exercise of the powers granted by this section.

1903, c. 58, to apply.

14. The Company may receive, take and hold all voluntary grants and donations of lands or other property, or any bonus of money or debenture, or other benefit of any sort, made to it for the purpose of aiding in the construction, maintenance and accommodation of its system of telegraphic communication; but the same shall be held and used for the purpose of such grants or donations only; and the Company may receive exemptions from taxation and all other exemptions which may be granted by municipal or other authority by by-law, resolution or otherwise and which may, by law, be granted by such authority.

Power to receive aid.

15. The directors of the Company elected by the shareholders, if authorized by a two-thirds vote in value of the share-

Issue of paid-up stock.

shareholders, may make and issue as paid up stock, shares of the Company, whether subscribed for or not, and may allot and hand over such stock in payment for right of way, plant, apparatus, appliances, materials, inventions, and rights and privileges to use the same, and also for the services of contractors and engineers.

Borrowing
powers.

16. If authorized by by-law sanctioned by a vote of not less than two-thirds in value of the subscribed stock of the Company, represented at any general meeting of the Company duly called for considering the by-law, the directors may, from time to time :

- (a.) borrow money upon the credit of the Company ;
- (b.) limit or increase the amount to be borrowed ;
- (c.) issue bonds, debentures or other securities of the Company, and pledge or sell them for such sums and at such price as are deemed expedient ; but no such bonds, debentures or other securities shall be for a less sum than one hundred dollars each ;
- (d.) hypothecate, mortgage or pledge the real and personal property of the Company, or any part thereof, to secure any such bonds, debentures or other securities and any money borrowed for the purposes of the Company.

Locality in
which powers
may be
exercised.

17. The Company may exercise and enjoy all powers granted by this Act in any place within the legislative authority of the Parliament of Canada, or between any points therein and any place outside of Canada with which telegraphic communication or connection may be established from any portion of Canada.

1903, c. 58,
s. 195.

18. Subject to the provisions of this Act, section 195 of *The Railway Act*, 1903, shall apply to the Company.

R. S. C.,
c. 132.

19. *The Electric Telegraph Companies Act* shall apply to the Company.

OTTAWA: Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's most Excellent Majesty.



4 - 5 EDWARD VII.

CHAP. 94.

An Act for the relief of Jane Marie Fitz-Simons.

[Assented to 7th June, 1905.]

WHEREAS Dame Jane Marie Fitz-Simons, presently residing at Utica in the state of New York, one of the United States of America, wife of Cradock Percy Booth Simpson, of the city of Montreal, in the province of Quebec, real estate agent, hath by her petition set forth that on the fourteenth day of May, one thousand eight hundred and ninety-two, she was lawfully married, at the city of Syracuse in the state of New York, one of the United States of America, to him ; that they cohabited until the year one thousand nine hundred and two ; that no children were born of the said marriage ; that during the year one thousand nine hundred and two, by his irregular and scandalous life and by his cruelty to her, he forced her to abandon the conjugal domicile, and she has ever since lived separate and apart from him ; that he has become a constant and habitual frequenter of houses of ill-fame in the city of Montreal and committed adultery frequently during the years one thousand nine hundred and two, one thousand nine hundred and three and one thousand nine hundred and four ; and whereas she has humbly prayed that the said marriage be dissolved and that she be authorized to marry again, and that such further relief be afforded her as is deemed meet ; and whereas she has proved the said allegations of her petition and has established the adultery above mentioned, and it is expedient that the prayer of her said petition should be granted : Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

Preamble.

1. The said marriage between the said Jane Marie Fitz-Simons and the said Cradock Percy Booth Simpson, is hereby dissolved and shall be henceforth null and void to all intents and purposes whatsoever.

Marriage dissolved.

Right to
marry again.

2. The said Jane Marie Fitz-Simons may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Cradock Percy Booth Simpson had not been solemnized.

OTTAWA : Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's
most Excellent Majesty.



4 - 5 EDWARD VII.

CHAP. 95.

An Act to incorporate the Georgian Bay and Seaboard Railway Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it Preamble.
be enacted as hereinafter set forth, and it is expedient
to grant the prayer of the said petition : Therefore His
Majesty, by and with the advice and consent of the Senate and
House of Commons of Canada, enacts as follows :—

1. Wilmot D. Matthews, Herbert C. Hammond, Lachlan Incorporation.
A. Hamilton, Henry Beatty and F. Gordon Osler, all of the
city of Toronto, in the province of Ontario, together with such
persons as become shareholders in the company, are incorpor-
ated under the name of “The Georgian Bay and Seaboard Corporate
Railway Company,” hereinafter called “the Company.” name.

2. The undertaking of the Company is declared to be a Declaratory.
work for the general advantage of Canada.

3. The persons named in section 1 of this Act are constituted Provisional
provisional directors of the Company. directors.

4. The capital stock of the Company shall be one million Capital stock.
dollars No one call thereon shall exceed ten per cent on the Calls thereon.
shares subscribed.

5. The head office of the Company shall be in the city of Head office.
Toronto.

6. The annual meeting of the shareholders shall be held on Annual
the first Tuesday in September. meeting.

7. The number of directors shall be not less than five nor Number of
more than nine, one or more of whom may be paid directors. directors.

8. The Company may lay out, construct and operate a Line of
railway of the gauge of four feet eight and one-half inches railway
VOL II—10½ 147 from described.

from a point on the Georgian Bay between Port Severn and Penetanguishene, thence in a south-easterly direction through the counties of Simcoe, Ontario, Victoria, Peterborough, Hastings, Lennox and Addington, Frontenac, and Lanark, or any of them, to a point of connection with the Ontario and Quebec Railway between Cavanville and Maberly.

Issue of
securities.

9. The securities issued by the Company shall not exceed thirty thousand dollars per mile of the railway, and may be issued only in proportion to the length of railway constructed or under contract to be constructed.

Agreements
with another
company.

10. Any agreement provided for in section 281 of *The Railway Act*, 1903, may be entered into between the Company and the Canadian Pacific Railway Company or the Ontario and Quebec Railway Company.

OTTAWA : Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's
most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 96.

An Act respecting Gillies Brothers, Limited.

[Assented to 20th July, 1905.]

WHEREAS Gillies Brothers, Limited, has, by its petition, Preamble.
represented that it is incorporated by letters patent
under the great seal of Canada dated the twenty-eighth day of
December, one thousand eight hundred and ninety-three, and by R.S.C., c. 119.
supplementary letters patent dated the twenty-second day of
May, one thousand nine hundred, and has prayed that it be
enacted as hereinafter set forth, and it is expedient to grant
the prayer of the said petition: Therefore His Majesty, by
and with the advice and consent of the Senate and House of
Commons of Canada, enacts as follows:—

1. Gillies Brothers, Limited, hereinafter called “the Com- Scope of
pany,” may exercise its powers throughout Canada and else- powers.
where.

2. The capital stock of the Company shall be one million Capital
dollars, divided into shares of one hundred dollars each, and increased.
such capital may be increased from time to time to any
amount not exceeding two million five hundred thousand
dollars: Provided that each such increase shall be subscribed
and fifty per cent paid up thereon before any further increase
may be made; and provided further that no such increase of Proviso as
capital stock shall be made without the authority of the share- to further
holders at an annual or at a special general meeting called for increases.
the purpose of increasing the capital stock and representing at
least two-thirds in value of the issued capital stock of the
Company.

3. In addition to the powers conferred by the letters patent Business of
mentioned in the preamble, the Company may carry on the Company.
business of,—

(a.) general merchants and general manufacturers and
millers, including the growing and conserving of timber, and
the manufacturing of and dealing in timber and lumber of all
kinds, pulpwood, pulp, paper and all articles of which wood
forms a component part;

(b.) manufacturing and dealing in building materials and fuels of all kinds, and their by-products ;

(c.) mining and treating ores, and working oil and salt wells, clay, sand, marl, peat, or other deposits, and their products ;

(d.) farming, fruit growing and stock raising ;

(e.) general builders and contractors, engineers, foundry-men, machinists and workers in metals ;

(f.) owners and operators of flour and cereal mills, woollen mills and other mills or works ;

(g.) owning, developing and working of water powers, steam and other powers ;

(h.) common carriers, wharfingers and warehousemen ;

(i.) acquiring and building steam and other vessels, and chartering and navigating them between any place in Canada and any other place in Canada or elsewhere ;

(j.) buying, dealing in, and disposing of the materials required for, and the products of, the said undertakings.

Powers of
Company.

4. For all or any of the said purposes the Company may—

(a.) acquire, construct, use, maintain, aid and dispose of roads, tramways, docks, piers, wharfs, viaducts, flumes, aqueducts, bridges and similar works, hotels, restaurants, boarding houses, hospitals, schools, churches, reading rooms or recreation buildings and grounds for the use and benefit of workmen employed by the Company, or others ;

(b.) acquire, use, develop and dispose of letters patent of invention, patent rights and processes, lands and buildings, timber berths and timber licenses, water powers and privileges, mining rights, hydraulic properties, fishing and hunting licenses, and other privileges, and acquire, aid, use, deal in and dispose of, manufacture, construct, and maintain all mills and factories, works, ways, buildings, appliances, machinery and plant of any kind or nature whatever required by, or conducive to, the undertakings of the Company ;

(c.) acquire, construct, operate and dispose of telegraph, telephone and electric light lines for the purpose of its undertakings only ;

(d.) acquire, sell and deal in the shares, bonds and debentures of any company whose powers are wholly or in part similar to those of the Company, and may enter into any agreement for sharing profits, joint adventure, reciprocal concession, or other such arrangement with any person having objects wholly or in part similar to those of the Company, and may acquire and hold shares in, or bonds or debentures of, any navigation company, railway company, bank or municipal or other corporation, and dispose thereof in the usual course of business.

Electricity
and other
power.

5. The Company may manufacture and use electricity, water and gas and electric, hydraulic, compressed air or other power and supply and dispose thereof for the purpose of light, heat

heat and power or other purpose for which the same may be used, by means of poles, wires, cables, pipes, conduits, machinery, or other appliances, and construct, maintain and operate works, machinery and plant for the production, storage, sale and distribution thereof, and for the purpose aforesaid may acquire lands by purchase, lease or otherwise; provided that the Company shall not exercise the power granted by this section to sell electricity, water, or gas for any purpose until it has first obtained the consent and approval of the municipal council of the city, town, village or other local municipality or district within which the powers hereby given are to be exercised by the Company, such consent to be by by-law, and to be on such terms and conditions as such by-law provides; and the exercise of such powers in any province of Canada shall be subject to the provisions of any general law of such province now or hereafter passed governing or regulating the production, use, disposal and distribution of power, electricity, water, or gas.

Works.

Approval of
municipal
councils.

6. The Company may, for the purpose of any of its undertakings, or for the promotion thereof, construct and operate all such railway sidings, tramways, switches, or spur lines, not exceeding ten miles in length, as are necessary to connect any property of the Company with its factories and mills, or with the line of any railway company.

Tramways
and spur lines.

7. The directors may, by by-law, issue, allot and hand over as paid up stock, shares of the capital stock of the Company in payment for any business, franchise, letters patent, patent rights, undertaking or property of any kind whatsoever which the Company is empowered to acquire or hold, and any right, privilege and interest therein, and may pay therefor either wholly or partly in cash or in paid-up shares of the Company or in its bonds or debentures, and any such issue or allotment of stock shall be binding upon the Company, and shall not be assessable for calls, nor shall the holder thereof be liable in any way thereon; provided that any such allotment and issue of stock shall be approved of by the holders of at least two-thirds in value of the stock of the Company then issued.

Issue of paid-
up stock.

8. The Company may receive as aid in the construction of, or for carrying on, any of its works or operations any lands, properties, franchises, sums of money or debentures, as gifts or by way of bonus or otherwise, and may dispose thereof, or alienate the same in promoting any of its affairs, businesses and operations, and may receive exemptions from taxation and all other exemptions which may be lawfully granted by municipal or other authorities by by-law, resolution or otherwise.

Aid to
Company.

1903, c. 58,
s. 195.

9. Section 195 of *The Railway Act*, 1903, shall apply to the Company, subject to the provisions of this Act.

OTTAWA: Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's
most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 97.

An Act respecting a patent of the Gold Medal Furniture Manufacturing Company, Limited.

[Assented to 16th May, 1905.]

WHEREAS the Gold Medal Furniture Manufacturing Company, Limited, of Toronto, has, by its petition, represented that it is the holder of letters patent issued under the seal of the Patent Office, and dated the sixteenth day of June, one thousand eight hundred and ninety-one, for patent number thirty-six thousand eight hundred and thirty-one, for improvements in wire fabrics; and whereas the said company has prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Notwithstanding anything in *The Patent Act*, or in the letters patent mentioned in the preamble, the Commissioner of Patents may receive from the Gold Medal Furniture Manufacturing Company, Limited, an application, on or before the sixteenth day of June, one thousand nine hundred and six, for a certificate of payment of a fee of twenty dollars and the fee of twenty dollars, and may grant and issue to the said company the certificate of payment of the said fee, and an extension of the period of the duration of the said patent for a term of six years from the sixteenth day of June, one thousand nine hundred and six; and upon the payment of the said fee and the issue of the said certificate, the said patent is hereby extended and renewed and declared to be in force, subject to the provisions of *The Patent Act*, for a term of six years from the sixteenth day of June, one thousand nine hundred and six.

Preamble.

Commissioner of Patents may extend term of patent.



4-5 EDWARD VII.

CHAP. 98.

An Act respecting the Grand Trunk Pacific Railway Company.

[Assented to 20th July, 1905.]

WHEREAS the Grand Trunk Pacific Railway Company, hereinafter called "the Company," has, by its petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition : Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

Preamble.

1903, c. 71 ;
1904, c. 80.

1. The deed of trust by way of mortgage, dated the tenth day of June, one thousand nine hundred and five, set forth in schedule A to this Act, made by the Company to secure its issue of First Mortgage Bonds in respect of the Western Division of the Company's railway, is hereby ratified and confirmed and declared to be valid and binding, and the bonds issued and hereafter to be issued, as mentioned in the said deed, are hereby declared to be valid and binding as the First Mortgage Bonds of the Company issued in respect of the said Western Division, and the Company is hereby empowered to make the said deed and to issue the said bonds. This section is expressly declared to be binding upon His Majesty and His successors.

Mortgage in
schedule A
confirmed.

2. The deed of trust by way of mortgage dated the fifteenth day of March, one thousand nine hundred and five, set forth in schedule B to this Act, made by the Company to secure its issue of Second Mortgage Bonds in respect of the said Western Division, is hereby ratified and confirmed and declared to be valid and binding, and the bonds issued and hereafter to be issued, as mentioned in the said deed, are hereby declared to be valid and binding as the Second Mortgage Bonds of the Company issued in respect of the said Western Division, and the Company is hereby empowered to make the said deed and to issue the said bonds.

Mortgage in
schedule B
confirmed.

3. The deed of trust by way of mortgage dated the fifteenth day of March, one thousand nine hundred and five, set forth in

Mortgage in
schedule C
confirmed.

in schedule C to this Act, made by the Company to secure its issue of First Mortgage Bonds in respect of its branch line of railway from Port Arthur, Fort William or some other Canadian port on Lake Superior to the main line of the Eastern Division of the National Transcontinental Railway, designated in the said deed as the Lake Superior Branch of the Company's railway, is hereby ratified and confirmed and declared to be valid and binding, and the bonds issued and hereafter to be issued, as mentioned in the said deed, are hereby declared to be valid and binding as the First Mortgage Bonds of the Company issued in respect of the said Lake Superior Branch, and the Company is hereby empowered to make the said deed and to issue the said bonds.

Bond issue.

4. The power of the Company to issue the bonds for the amounts severally provided for by the deeds of trust respectively mentioned in this Act shall not be deemed to be limited by the provisions of section 13 of chapter 122 of the statutes of 1903.

SCHEDULE A.

THIS INDENTURE, made the tenth day of June, 1905, between The Grand Trunk Pacific Railway Company, a company duly incorporated by the Parliament of Canada (hereinafter called the "Pacific Company"), of the first part;

The Royal Trust Company, a Company duly incorporated under the laws of the Dominion of Canada (hereinafter called "the Trustee"), of the second part;

And His Majesty King Edward the Seventh, acting in respect of the Dominion of Canada, (and represented herein by The Honourable William Stevens Fielding, Minister of Finance of the Dominion of Canada) hereinafter referred to as "the Government," of the third part;

Whereas the Pacific Company was incorporated by an Act of the Parliament of Canada, chapter 122 of the statutes of 1903, with authority, among other things, to construct and operate the line of railway hereinafter mentioned;

And whereas under date of the 29th day of July, 1903, an agreement was entered into between His Majesty the King, acting in respect of the Dominion of Canada (hereinafter called the "Government"), and Sir Charles Rivers Wilson, C.B., G.C.M.G., and others, representing therein and acting on behalf of The Grand Trunk Pacific Railway Company, a company to be incorporated by Act of the Parliament of Canada at the then present session thereof, respecting the construction and operation of a line of railway from Moncton, in the province of New Brunswick, and thence westerly across the continent to the Pacific Ocean (therein designated as "The National Transcontinental Railway"), which said agreement forms the schedule to an Act of the Parliament of Canada,

chapter 71 of the statutes of 1903, and, subject to the provisions of said Act, is thereby ratified and confirmed ;

And whereas the Pacific Company, under date of the 18th day of February, 1904, entered into a further and supplementary agreement with the Government respecting the construction and operation of the said railway, which said agreement forms the schedule to an Act of the Parliament of Canada, chapter 24 of the statutes of 1904, and, subject to the provisions of the said Act and of chapter 71 of the statutes of 1903, hereinbefore referred to, is also thereby ratified and confirmed. The said two respective agreements are hereinafter referred to as the Scheduled Agreements, and the said two Acts respectively confirming the same are, with their said Schedules, hereinafter referred to as the "Transcontinental Railway Acts";

And whereas the Transcontinental Railway Acts provide in effect for the construction and operation of a line of railway between the city of Moncton, in the Province of New Brunswick, and the navigable waters of the Pacific Ocean, at or near Port Simpson or some other port in British Columbia, as may be agreed upon, comprising two divisions, to be called the "Eastern Division" and the "Western Division," respectively, the Eastern Division of which shall comprise the portion of said railway to be constructed from its eastern terminus through the central part of the Province of New Brunswick and through the Province of Quebec, by the shortest available line, to the city of Quebec; thence westerly through the northern part of the Provinces of Quebec and Ontario, and through the Province of Manitoba, to the city of Winnipeg; and the Western Division of which shall comprise the portion of the said railway between the said city of Winnipeg, or some point on the said Eastern Division, and the Pacific Ocean, extending westerly through the Province of Manitoba, the North-West Territories and the Province of British Columbia; the said Eastern Division to be constructed by and at the expense of the Government, and to be leased to the Pacific Company upon the terms and conditions provided in the "Transcontinental Railway Acts"; and the said Western Division to be constructed and operated by the Pacific Company;

And whereas the said Western Division has, for convenient reference, been divided into two sections, one extending from the eastern terminus thereof westerly to the eastern limit of the Rocky Mountains, to be established as hereinafter provided, to be designated the "Prairie Section," and the other extending westerly from the western terminus of the Prairie Section to the western terminus of the said Western Division, to be designated the "Mountain Section";

And whereas the said agreement of the 29th July, 1903, as amended by the said agreement of the 18th February, 1904, further provides that, for the purpose of aiding the Pacific Company in the construction of the Western Division, the Government shall guarantee payment of the principal and

interest of an issue of bonds to be made by the Pacific Company, for a principal amount equal to 75 per centum of the cost of construction of the said Division as defined and ascertained in accordance with the provisions of paragraph 18 of the said agreement of 1903, but that such principal amount shall not, in respect of the Prairie Section, exceed \$13,000 per mile of the mileage thereof, although 75 per centum of such cost of construction may have exceeded the said sum of \$13,000 per mile;

And whereas the said agreement of the 18th February, 1904, further provides that notwithstanding anything in the said agreement of the 29th July, 1903, contained the Government may and shall, preserving always the proportions in said agreement provided as between the Prairie and the Mountain Sections of the Western Division, implement, for the purposes and subject otherwise to the provisions of said agreement, its guarantee of the bonds of the Pacific Company to be issued for the cost of construction of the said Western Division in such manner as may be agreed upon, so as to make the proceeds of the said bonds so to be guaranteed a sum equal to 75 per centum of the cost of construction of the Western Division ascertained as provided in the said agreement, but not exceeding, in respect of the Prairie Section, \$13,000 per mile;

And whereas the Transcontinental Railway Acts further provide that the mortgage to secure the payment of the issue of first mortgage bonds to be guaranteed by the Government shall be a first charge upon the railway, undertaking, equipment and property, tolls, rights and franchises of the Pacific Company, including all equipment and property to be thereafter acquired by the Pacific Company, (but not including branch lines exceeding six miles in length, or the revenues therefrom, or the franchises in connection therewith, or such additional rolling stock as may, with the assent of the Government, be designated and marked by the Pacific Company as constituting the equipment thereof, and not including ships, or any municipal or provincial grants of land, by way of bonus or subsidy, to the said Pacific Company, other than for railway purposes);

And whereas the Transcontinental Railway Acts further provide that the form of the bonds or other securities to be guaranteed by the Government pursuant to the terms of the Transcontinental Railway Acts and of the respective mortgages securing such bonds or other securities, and the form and manner of the guarantees to be given shall be subject to the approval of the Governor in Council, that the said guarantee may be signed by the Minister of Finance and Receiver General, or by such officer as may from time to time be designated by the Governor in Council to sign it, and that, upon such guarantee being so signed, the Government shall be liable as guarantors for the payment of the principal and interest of the bonds so guaranteed according to the terms of such guarantee, and that the payment thereof shall form a charge on the Consolidated Revenue Fund of Canada;

And whereas the Transcontinental Railway Acts further provide that any moneys paid by the Government of Canada under any of the guarantees thereby authorized (except moneys paid by the Government for interest which, according to the terms of the said Acts, the Government has agreed itself to pay), shall be deemed to be paid in discharge of the liability of the Government, but not in discharge of the liability of the Company, under the bonds or securities so guaranteed, or under the mortgage or mortgages securing them, and that all said moneys so paid (subject to the exception aforesaid) shall be deemed to be still secured by the said bonds or securities and mortgages, and that the Government in respect thereof shall be subrogated in and to all the rights of the holders of the said bonds, the interest upon or the principal of which has been so paid by the Government, and that the Government, in respect of all moneys so paid (subject to the exception aforesaid) and the interest thereon, shall be in all respects in the position of, and shall be entitled to the rights and remedies of holders of bonds in respect of which default has been made; subject, however, to the restrictions and provisions contained in the proviso and exception to paragraph 32 of the said agreement of 1903, in respect of the interest moneys mentioned therein, and subject also to the restrictions and provisions set out in paragraphs 6, 7 and 8 of the said agreement of 1904;

And whereas the Pacific Company, under the powers conferred by the said several Acts hereinbefore recited and every other power in anywise vested in it, for the purpose of constructing the said Western Division, has determined to create and issue its three per cent first mortgage sterling bonds, due 1962, for the amount authorized by the Transcontinental Railway Acts to be guaranteed by the Government in accordance with the provisions of the Scheduled Agreements, which bonds shall be secured by a first mortgage upon the assets and property therein described, including the line of railway constituting the Western Division, and shall be issued from time to time in accordance with the terms of this mortgage;

And whereas the Government, acting by and through the Governor in Council, has approved the form and provisions of this mortgage and of the bonds intended to be secured thereby;

And whereas the form of the bonds, and of the coupons to be attached thereto, of the certificate to be signed by the Trustee and of the guarantee to be signed by the Government are to be substantially as follows:

(Form of Bond.)

No.....

£ .

THE GRAND TRUNK PACIFIC RAILWAY COMPANY.

Incorporated by Act of the Parliament of Canada,
Cap. 122, Statutes of 1903.

Three Per Cent First Mortgage Sterling Bond, Due 1962.
Guaranteed by the Government of the Dominion of Canada.

This bond is one of a series of bonds of the Grand Trunk Pacific Railway Company, known as its Three Per Cent First Mortgage Sterling Bonds, due 1962, issued and to be issued, for an aggregate principal amount not exceeding fourteen million pounds sterling, at any one time outstanding. The said bonds may be in the denomination of £100, or of any multiple thereof as the Directors shall determine, and shall bear interest at the rate of three per cent per annum, all of the bonds of said series ranking *pari passu*. The said bonds are authorized under Acts of the Parliament of the Dominion of Canada, being caps. 71 and 122, Statutes of 1903, and caps. 24 and 80, Statutes of 1904, and by resolutions of the Board of Directors of The Grand Trunk Pacific Railway Company, duly passed on the First day of May, 1905, which resolutions were duly ratified and confirmed at a meeting of the shareholders of the said Company, on the First day of May, 1905.

Know all men by these presents that The Grand Trunk Pacific Railway Company, a corporation hereinafter called the "Pacific Company," for value received, promises to pay to the bearer, or, if registered, to the registered holder of this bond, on the first day of January, 1962, at its office or agency in London, England, pounds sterling, and to pay interest thereon (but only upon presentation and surrender, as they severally mature, of the coupons therefor annexed hereto), at the rate of three per centum per annum from the first day of July, 1905, semi-annually, on the first day of January and the first day of July in each year, at said office or agency, the first of said payments to become payable on the first day of January, 1906.

Both the principal and interest of this bond are payable without deduction for any tax or taxes which the Pacific Company may be required to pay or to retain therefrom, under any present or future law of the Dominion of Canada, or of any province, county, municipality or territory thereof, the Pacific Company hereby agreeing to pay all such tax or taxes.

At the option of the holder of this bond, the Pacific Company will pay the principal and interest thereof, at the respective maturities thereof, at its office or agency in the city of Montreal, Canada, in currency of the Dominion of Canada, at the fixed rate of exchange of four and 86-100 dollars (\$4.86) to the pound sterling, or at its office or agency in the city of New York, in gold coin of the United States of America, of the present standard of weight and fineness, at the same fixed rate of exchange.

This bond is one of a series of bonds of the Pacific Company known as its Three Per Cent First Mortgage Sterling Bonds, due 1962, issued and to be issued for an aggregate principal amount not exceeding fourteen million pounds sterling at any one time outstanding, under and in pursuance of, and all equally secured by a mortgage or deed of trust, dated the tenth day of June, 1905, executed by the Pacific Company to

The Royal Trust Company, as Trustee, of the property and franchises of the Pacific Company, now owned or hereafter to be acquired conveyed in trust by said mortgage or deed of trust, to which reference is hereby made for a statement of the property and franchises mortgaged, the nature and extent of the security, the rights of the holders of said bonds under the same, and the terms and conditions upon which said bonds are to be issued and secured.

This bond may, at the holder's option, be registered as to the principal thereof on the books of the Pacific Company at its head office in the city of Montreal, or at its office or agency in London, England, or at its office or agency in the city of New York, and be made payable, as to the principal thereof, only to the registered holder named therein, but such registration shall not affect the negotiability of the coupons by delivery. After such registration certified hereon, no transfer shall be valid, unless made by the registered holder hereof or his duly authorized attorney, on the Pacific Company's books at the office where such registration was made, and similarly noted on the bond, but the same may be discharged from registry by being transferred on the books at such office to bearer, such transfer being similarly noted on the bond which shall restore transferability by delivery, but this bond may again from time to time be registered or transferred to bearer at the option of each holder. The Pacific Company agrees that it will not at any time hereafter, so long as any of the said bonds shall be outstanding, create or suffer to be created any charge upon, or issue any bond or bonds which shall be a lien upon any of the property for the time being forming a part of the security for the repayment of the principal and interest due under said bonds, in priority to the charge or lien securing the said bonds or any of them.

This bond shall not be valid or become obligatory for any purpose until it shall have been authenticated by the certificate of the trustee hereon endorsed.

This bond is to have endorsed hereon the guarantee of the Government of the Dominion of Canada.

In witness whereof the Grand Trunk Pacific Railway Company has caused these presents to be signed by its president or one of its vice-presidents, and its corporate seal to be hereunto affixed, and to be attested by its secretary or an assistant secretary, and coupons for said interest with the engraved signature of its treasurer to be attached hereto, as of the

day of 190 .

THE GRAND TRUNK PACIFIC RAILWAY COMPANY.

By

[L.S.]

.....
President.
.....
Secretary.

[Form

[*Form of Coupon.*]

No....

£ .

On the first day of
the Grand Trunk Pacific Railway Company will pay to the
bearer at its office or agency in London, England, £
sterling, being six months' interest then due on its Three Per
Cent First Mortgage Sterling Bond, due 1962, No. ,
guaranteed by the Government of the Dominion of Canada.

.....
Treasurer.

[*Statement to be Engraved on each Coupon.*]

Payable at \$, in Montreal in Canadian currency, or in
New York in U.S. gold coin.

[*Form of Trustee's Certificate.*]

This certifies that this bond is one of a series of Three Per
Cent First Mortgage Sterling Bonds, due 1962, guaranteed by
the Government of the Dominion of Canada, described in the
within-mentioned mortgage or deed of trust, executed by the
Grand Trunk Pacific Railway Company to the undersigned as
trustee.

THE ROYAL TRUST COMPANY.

Trustee.

By

.....
Secretary.

And whereas the Government, acting by and through His
Excellency the Governor General in Council, has, by Order in
Council, approved of the form and provisions of this mortgage,
of the bonds to be secured thereby, and of the form of guaran-
tee as hereinafter set forth, namely :

[*Form of Guarantee.*]

I, William Stevens Fielding, Minister of Finance and Re-
ceiver General of the Dominion of Canada, by virtue of the
powers granted and conferred by the several Acts of the Par-
liament of Canada, relating thereto, and in pursuance of an
Order in Council approved by His Excellency the Governor
General in Council, do hereby, on behalf of His Majesty King
Edward the Seventh, acting in respect of the Dominion of
Canada, guarantee the payment of the principal and interest
of the within bond, according to the tenor thereof.

And whereas the creation and issue of the said Three Per
Cent First Mortgage Sterling Bonds, due 1962, and the execu-

tion of this mortgage to secure the same, have been duly authorized by the board of directors of the Pacific Company in terms of the resolution passed at a board meeting duly held on the First day of May, 1905, copies of which are as follows:—

“Resolved that, for the purpose of providing in part for the payment of the cost of construction of the Western Division of the Company’s railway, this Company shall create and issue its bonds as hereinafter provided, secured upon the railway, undertaking, equipment and property, tolls, rights and franchises of the Company, to be known as its Three Per Cent First Mortgage Sterling Bonds, due 1962, which shall not, in any event exceed the sum of £14,000,000 at any one time outstanding, inclusive of all bonds which may lawfully be issued by the Pacific Company and guaranteed by the Government under the provisions of the Transcontinental Railway Acts. Such bonds shall be payable in sterling on the first day of January, 1962, at the office or agency of the Company in London, England, and shall bear interest at the rate of three per cent per annum from the first day of July, 1905, payable in sterling semi-annually on the first day of January and the first day of July in each year, at said office or agency. Said bonds may be of the denomination of £100 sterling, or of any multiple thereof, in such proportions as the directors shall from time to time determine;

“Resolved, further, that said bonds and the coupons for the interest thereon shall be payable at the option of the holder at the office or agency of the Company in the city of Montreal, Canada, in currency of the Dominion of Canada, at the fixed rate of exchange of four and 86-100 dollars (\$4.86) to the pound sterling, or at its office or agency in the city of New York, in gold coin of the United States of America, of the present standard of weight and fineness, at the same fixed rate of exchange;

“Resolved, further, that, in order to secure payment of said bonds with the interest thereon, this company shall execute a mortgage or deed of trust to The Royal Trust Company, a company duly incorporated under the laws of the Dominion of Canada, as trustee, covering the railway, undertaking, equipment and property, tolls, rights and franchises of this company, described in the draft of mortgage now submitted to this Board;

“Resolved, further, that said draft of mortgage and the form of bonds and coupons and of the guarantee of the Government of the Dominion of Canada, to be endorsed on said bonds, which are embodied in the said draft mortgage, be and the same are hereby approved, and that the president or one of the vice-presidents and the secretary of this company be and they are hereby authorized to execute the said mortgage and bonds on behalf of this company under its corporate seal.

“And resolved further, that, in case the officers who shall have signed and sealed any of such bonds shall cease to be officers of the company before the bonds so signed and sealed

shall have been actually certified and delivered by the trustee, such bonds may nevertheless be issued, certified and delivered as though the persons who signed and sealed such bonds had not ceased to be officers of the company. The coupons to be attached to such bonds may be authenticated by the engraved signature of the present treasurer or any future treasurer of the company, and the company may adopt and use for that purpose the engraved signature of any person who shall have been such treasurer, notwithstanding the fact that such person may have ceased to be such treasurer at the time when such bonds shall be actually certified and delivered."

And whereas the said resolutions of the board of directors of the Pacific Company, together with said draft of mortgage and the form of bonds and coupons respectively and of the guarantee of the Government of the Dominion of Canada to be endorsed on said bonds, which are embodied in the said draft mortgage, were thereafter submitted to a meeting of the shareholders of the Pacific Company, duly called and held in conformity with the provisions of *The Railway Act*, 1903, at which shareholders representing at least two-thirds in value of the subscribed stock of the Pacific Company, and who had paid all calls due thereon, were present in person or represented by proxy, and the said resolutions of the said board of directors were, in all things, at the said meeting, duly ratified and confirmed;

And whereas this mortgage is substantially in the form of the said draft mortgage approved by the directors and the shareholders at the said meetings, respectively;

And whereas the form of bonds, coupons to be attached thereto, the trustee's certificate to be signed by the said trustee, and the guarantee to be endorsed thereon by the Government, as the same were approved by the directors and the shareholders as above set forth, are severally substantially set forth in this mortgage;

And whereas, in pursuance of such authority, and of all and every legal power and authority in it vested, the Pacific Company proposes now to issue and deliver the bonds hereby secured, and to execute this indenture to secure the said bonds and to declare the terms and conditions upon which every such bond is and shall be issued and secured;

Now, therefore, this indenture witnesseth as follows:—

ARTICLE ONE.

MEANING OF TERMS.

Section 1. His Majesty the King, acting in respect of the Dominion of Canada, by and through His Excellency the Governor General in Council, and represented herein by the Honourable William Stevens Fielding, Minister of Finance and Receiver General of the Dominion of Canada, is herein called

the "Government," and the said Grand Trunk Pacific Railway Company, a company duly incorporated by the Parliament of Canada, is herein called the "Pacific Company," and the Royal Trust Company is herein called "the Trustee."

Section 2. Unless there is something in the subject or context inconsistent therewith, the words "the Trustee" shall be construed to refer to and describe the company which shall, for the time being, be charged with the execution of any of the trusts of these presents, whether such company shall be the company named herein as the Trustee or any successor of the said company in the said trusts.

Section 3. The expression "the mortgaged premises" shall include all the premises and franchises hereby mortgaged, or charged in any way with the payment of moneys intended to be secured by these presents.

Section 4. For the purposes of reference in this mortgage, the portion of the railway of the Pacific Company referred to in the Transcontinental Railway Acts as the Western Division shall be considered as being divided into two sections, namely, (1) extending from the eastern terminus thereof, at the city of Winnipeg, or at some point on the Eastern Division of the National Transcontinental Railway not east of the ninety-sixth meridian of longitude, thence westerly to a point at or near the eastern limit of the Rocky Mountains, to be designated the "Prairie Section," and (2) extending westerly from the western terminus of the said Prairie Section to the western terminus of the said Western Division, to be designated the "Mountain Section." The said eastern limit of the Rocky Mountains shall be established after the location of the line, and after actual surveys have determined the profile thereof upon such location, and shall be fixed and agreed upon by the chief engineer of the Pacific Company and the chief engineer of the Government, as the result of such surveys, having regard to the physical features of the country and to the cost of construction, and endeavouring as fairly as possible to determine where the more easy and less expensive work characteristic of prairie construction comes to an end, and the more difficult and expensive work characteristic of mountain construction begins, and in case the said engineers shall differ, the question shall be determined by the said engineers and a third arbitrator to be chosen by them, and, in the event of their inability to agree on a third arbitrator, the chief justice of the Supreme Court of Canada may appoint the said third arbitrator, and the decision of the majority shall be final.

Section 5. The expression "construction work" for the purposes of this mortgage generally, and of the securities issued and to be issued hereunder, and more particularly for the purposes of section 4 of article three of this mortgage, shall mean and include all wages, materials and supplies for construction of the section of the railway in respect of which such expression is used, or any part thereof, material purchased or acquired

for the purposes of such construction, machinery, plant, implements, tools, services and transportation required for, or entering into, the cost of such construction, expenditure for right of way and other lands required for the purposes of said section and for terminal facilities thereof, expenditure for compensation for lands injuriously affected, for accommodation works and damages, for compensation for injuries, accidents and casualties to persons and property incidental to or arising out of such construction, for preliminary expenses, surveys and engineering, maintenance, repairs and replacement of works and materials during construction, superintendence and management, book-keeping, legal and medical expenses, and, generally, all costs and expenditure occasioned by the construction of such section, whether of the same kind as, or differing in kind from, the classes of expenditure specially above-mentioned, including stamp duties, banking charges, exchange and interest upon the money expended. Provided however, that no materials or supplies shall be included in the expression "construction work" unless and until they shall have been delivered in Canada to the Pacific Company.

Where the work is done under contract, the expression "construction work" shall also include payments and obligations to contractors for construction of any part of such section.

The expression "construction work" shall also include the material, supplies and labour expended in the construction of the telegraph and telephone lines reasonably required for the operation of the Western Division of the railway.

The said expression "construction work," in regard to the section in respect of which the same is used, shall also include any sum or sums of money paid or to be paid by the Pacific Company as interest accruing, or about to accrue, during the period of construction, as hereinafter defined, upon the bonds issued and to be issued by the Pacific Company and guaranteed by the Government under this mortgage, and also upon any bonds issued and to be issued by the Pacific Company and guaranteed by the Grand Trunk Railway Company of Canada for the purpose of constructing the said section less any sum or sums of money received by the Pacific Company from its net earnings in respect of said section, or as interest upon any proceeds of bonds issued in respect thereof.

Section 6. The expression "working expenditure," when used in respect of either section of the Western Division of said railway, for the purposes of this mortgage and of the securities issued and to be issued hereunder, shall mean and include all expenses of maintenance of each of the said sections, respectively, and of the stations, buildings, works and conveniences belonging thereto, and of the rolling and other stock and movable plant used in the working thereof, and all such tolls, rents or annual sums as are paid on account of property leased to or held by the Pacific Company in respect of the said section (apart from the rent of the Eastern Division or

any other leased line), or in respect of the due proportion of the hire of rolling stock let to the Pacific Company as part of the equipment of the said Western Division ; all rent, charges or interest on the purchase money of lands belonging to the Pacific Company, purchased for the use of such section, but not paid for, or not fully paid for ; all expenses of or incidental to working such section and the traffic thereon, including all stores and supplies and all necessary repairs and supplies to rolling stock thereof while on such section or elsewhere ; all rates, taxes, insurance and compensation for accidents or losses payable in respect of such section ; also all salaries and wages of persons employed in and about the working of the said section and the traffic thereon ; the due proportion of such tolls, rents or other sums as may be payable for the use of rolling stock used upon such section, of all office and management expenses, including directors' fees, agency, legal, medical and other like expenses, and of any sums of money contributed to any fund for the benefit of the employees of the Pacific Company ; and all costs and expenses of and incidental to the compliance by the Pacific Company with any order of the Board of Railway Commissioners for Canada, or of any board or authority which may hereafter be duly constituted by the Parliament of Canada for the regulation of railways, and made in reference to such section, and, generally, all such charges, if any, not above otherwise specified, as in all cases of English railway companies are usually carried to the debit of revenue as distinguished from capital account.

Section 7. The expression "period of construction" in section 5 of this article shall mean the period of time which shall elapse until the Western Division shall be completed under the provisions of the Transcontinental Railway Acts, or of any Act of Parliament extending the time for completion, and the Government shall fix the date of such completion by Order in Council accordingly.

ARTICLE TWO.

PROPERTY GRANTED IN TRUST.

In order to secure the payment of the principal and interest of all the bonds at any time hereafter issued and outstanding under this indenture according to their tenor and effect, and the performance of all covenants and conditions herein contained, and to declare the terms and conditions upon which such bonds are issued and received, the Pacific Company, in consideration of the premises and of the purchase and acceptance of such bonds by the holders thereof, and of the sum of one dollar to it duly paid by the Trustee at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has executed and delivered these presents, and

has granted, bargained, sold, released, conveyed, assigned, transferred and set over and doth hereby grant, bargain, sell, release, convey, assign, transfer and set over unto the Trustee, its successors and assigns, for ever :

All and singular the railway, undertaking, equipment and property, tolls, rights and franchises of the Pacific Company, and all equipment and property, rights and franchises to be hereafter acquired by the Pacific Company, (but not including branch lines exceeding six miles in length forming part of the Pacific Company's railway, or the revenues therefrom, or the rights and franchises in connection therewith, or such additional rolling stock as may, with the assent of the Government, be designated and marked by the Pacific Company as constituting the equipment thereof, and not including ships or any municipal or provincial grants of land by way of bonus or subsidy to the Pacific Company, other than lands required for right of way, station grounds, terminals or other like railway purposes, and not including any cash subsidies or bonuses) :

And all and singular the estates, leasehold or otherwise, rights, privileges and franchises belonging or appertaining to the said railway, undertaking, equipment and property, except as above provided, including (a) all terminals, wharfs, piers, docks and all other structures connected therewith, and all telegraph and telephone lines ; (b) all road-beds, superstructures, rights of way, rails, tracks, sidetracks, sidings, extensions, bridges, viaducts, terminals, buildings, depots, stations, tanks and water appliances, warehouses, car-houses, engine-houses, freight-houses, coal-houses, wood-houses, machine shops, and other shops, turn-tables, water stations, fences, structures, erections and fixtures, and any and all other property real or personal of every kind or description now or hereafter to be provided or acquired by the Pacific Company or its successors ; (c) all locomotives, engines, cars and other rolling stock, equipment, machinery, instruments, tools, implements, fuel, materials, furniture and other chattels of the Pacific Company now owned or hereafter held, acquired or provided by the Pacific Company, or its successors, including materials and supplies purchased or acquired for the purposes of construction, notwithstanding that the same may not have been actually delivered upon the work ; (d) all the rents, issues, profits, tolls and other revenues receivable by the Pacific Company from the said property, or any portion thereof ; and (e) all the rights, privileges, franchises, equipment and property which the Pacific Company now has, or which it or its successors shall hereafter acquire, possess or become entitled to, appertaining to the construction, maintenance, use or operation of the said railway, or of the terminals thereof, or of other property hereby mortgaged ; also including the leasehold interest in the Eastern Division of said railway ; Provided, however, that in respect of any leasehold or term of years included herein the interest of the trustee therein shall be subject to the provisions of Section 7 of Article nine hereof.

The foregoing description of the mortgaged premises is not intended to and shall not comprise or include any of the branch lines of the National Transcontinental Railway exceeding six miles in length, which may be hereafter constructed and for the construction of which authority may have been or may hereafter be obtained under any special Act of Parliament, nor any branch of such branch lines, whether the same shall or shall not exceed six miles in length, nor any of the classes or descriptions of property above described appertaining or belonging to the branch lines by this clause excepted, or any of them.

To have and to hold the mortgaged premises unto the Trustee and to its successors and assigns, for ever, free from incumbrances, in trust for the equal and proportionate benefit and security of all holders of the bonds and interest obligations to be issued hereunder, and secured by this indenture, and for the enforcement of the payment of said bonds and interest obligations when payable, and the performance of and compliance with the covenants and conditions of this indenture, without preference, priority or distinction of one bond over any other bond issued hereunder, by reason of priority in the issue or negotiation thereof, or otherwise howsoever.

And it is hereby covenanted and declared that all the bonds secured by these presents are to be issued and certified and delivered, and that the mortgaged premises are to be held by the Trustee, subject to the further covenants, conditions, uses and trusts hereinafter set forth.

And it is covenanted between the parties hereto, and for the benefit of the respective holders, from time to time, of bonds issued hereunder, as follows, namely :—

ARTICLE THREE.

ISSUE, REGISTRATION AND APPROPRIATION OF BONDS AND THEIR PROCEEDS.

Section 1. All bonds to be secured hereby shall be completely signed and executed by the Pacific Company, and, the guarantee of the Government having been endorsed thereon, shall be delivered to the Trustee hereunder for certification, and the Trustee shall thereupon certify and deliver the same as hereinafter provided.

Section 2. The bonds to be issued under and secured by this indenture, together with the coupons appertaining thereto, shall be substantially of the tenor and purport above recited. In case the officers who shall have signed and sealed any of such bonds shall cease to be officers of the Pacific Company before the bonds so signed and sealed shall have been actually certified and delivered by the Trustee, such bonds may nevertheless be issued, certified and delivered subject to the provisions hereof, as though the persons who signed and sealed

such bonds had not ceased to be officers of the Pacific Company. The coupons to be attached to such bonds shall be authenticated by the engraved signature of the treasurer of the Pacific Company, and said Company may adopt and use for that purpose the engraved signature of any person who shall have been such treasurer, notwithstanding the fact that such person may have ceased to be such treasurer at the time when such bonds shall be actually certified and delivered.

Section 3. All of the said bonds shall be so issued that the purchase price of any of such bonds (hereinafter referred to as the "proceeds" of the said bonds), shall be paid by the purchasers thereof from time to time into the Bank of Montreal, the Canadian Bank of Commerce, the Merchants Bank of Canada, or such other bank or banks as the Government may approve of (which are hereinafter collectively and distributively referred to as the "Bank"). The Bank shall receive and hold the said proceeds and any interest accruing thereon at the credit of the Minister of Finance and Receiver General of Canada, in a special account in one of the offices of the said Bank, in accordance with and subject to the provisions of Section 4 of this Article.

Any bonds duly certified as aforesaid shall be delivered by the Trustee to the purchaser or purchasers thereof or on their order from time to time, as directed by the Pacific Company, but only upon the receipt by the Trustee from the Bank of a certificate in writing that it has received from such purchaser or purchasers the purchase price of such bonds.

Section 4. The Bank shall keep all such proceeds received by it as aforesaid at the credit of the said special account and interest upon the balances at the credit of the said account shall be credited at such times and at such rates as may be agreed upon between the Pacific Company and the Bank. In proportion as the construction of the Western Division is proceeded with to the satisfaction of the Government, according to the specifications agreed upon or to be agreed upon between the Government and the Pacific Company, the Government shall, out of the said proceeds and interest, pay to the Pacific Company or its nominees, in monthly payments as far as practicable, such sums as the chief engineer appointed by the Government or such other officer as the Government may appoint for that purpose, may certify are earned, having regard to the cost, at the date of such certificate, of construction work as hereinbefore defined, and having regard to the proportion of the cost of construction which, under the scheduled agreements, is to be met by the proceeds of bonds guaranteed by the Government.

Any proceeds remaining on deposit with the Bank and any interest payable on such proceeds pending the complete construction of the said Western Division, shall, subject to payments therefrom on account of construction work as hereinbefore provided, be deemed part of the mortgaged premises.

If, upon the complete construction and equipment of the said Western Division to the satisfaction of the Government, and the payment of all sums payable on account of construction work in respect thereof, there shall remain at the credit of the said account any balance of proceeds of the bonds issued hereunder, such balance and any interest payable thereon shall be applied on the order of the Pacific Company to the purchase of bonds issued hereunder; and upon receiving the bonds so purchased the Bank shall deliver the same to the Trustee, who shall forthwith cancel and destroy the same, and deliver to the Pacific Company an instrument in writing under its corporate seal, stating the numbers and amounts of the said bonds, and certifying that they have been cancelled and destroyed.

Section 5. Whatever the method, of the implementing by the Government, in accordance with the provisions of the Scheduled Agreements in such manner as may be agreed upon as therein provided, of its guarantee of the bonds to be issued by the Pacific Company and guaranteed by the Government under the provisions of the scheduled agreements, the results of such implementing shall be paid into the said Bank and shall be dealt with by the said bank in the manner provided in Sections 3 and 4 of this Article.

Section 6. The principal of the bonds issued under and secured by this indenture shall not exceed the sum of fourteen million pounds sterling at any one time outstanding, inclusive of all bonds which may lawfully be issued by the Pacific Company and guaranteed by the Government under the provisions of the Transcontinental Railway Acts.

Section 7. The bonds issued under and secured by this indenture shall be payable on the first day of January, 1962, and shall be in the denomination of £100 each or of any multiple thereof as the directors of the Pacific Company shall from time to time determine.

Section 8. Only such bonds as shall bear thereon endorsed the certificate of the Trustee, by it duly executed under the hand of its secretary or assistant secretary, shall be secured by this indenture or shall be entitled to any lien or benefit thereunder; and every such certificate of the Trustee upon any bond executed on behalf of the Pacific Company shall be conclusive evidence that the bond so certified has been duly issued hereunder and is entitled to the benefits hereof. Before certifying or delivering any bond hereby secured, the Trustee shall cut off and cancel all coupons thereof then matured.

Section 9. The Pacific Company shall at all times keep at its head office in the city of Montreal, and at its office or agency in London, England, and at its office or agency in the city of New York, suitable and appropriate books for the registering of the holders of bonds to be issued hereunder; and every holder of one or more bonds hereby secured shall, subject to the provisions of Section 10 of this Article, be entitled,

titled, without charge, to have his name and address and the denomination and numbers of any of the said bonds held by him entered in such register, upon presenting at any one of the said offices a written statement of the said particulars, signed by himself, and producing the bonds; and every registration of the ownership of any bond shall be properly certified thereon, but no registration of a bond shall affect the negotiability by delivery of the coupons appertaining thereto. After such registration of any such bond certified thereon, no transfer shall be valid unless made by the registered holder thereof in person, or by his duly authorized attorney, on the Pacific Company's books at the office where such registration was made, and similarly noted on the bond, and each transfer thereof shall thereafter be recorded by endorsement upon the said bond, but the same may be discharged from registry by being transferred on the books at such office to bearer, such transfer being similarly noted on the bond, which shall restore the transferability of the bond by delivery. Any such bond may again from time to time be registered or transferred to bearer at the option of each holder thereof.

Section 10. After the first registration of any such bond the same shall continue to be registered only in the office in which the first entry of registration has been made.

Section 11. Each of the said registers shall be open at all reasonable hours to the inspection of the Trustee and of the Government, or any agent or officer duly appointed on behalf of the said Trustee or of the Government, and copies shall be furnished to the Trustee or to the Government upon request.

Section 12. The Pacific Company shall be entitled to make a reasonable charge, not exceeding one dollar, for each transfer of a registered bond.

Section 13. In case any bond issued hereunder, with the coupons thereto appertaining, shall become mutilated or be destroyed, the Pacific Company, in its discretion, may issue and the Government shall guarantee, and thereupon the Trustee shall certify and deliver a new bond of like tenor and date, including coupons for unpaid interest thereon, bearing the same serial number, in exchange and substitution for, and upon cancellation of, the mutilated bond and its coupons, or in lieu of and substitution for, the bond and its coupons so destroyed, upon receipt of evidence satisfactory to the Pacific Company and the Government of the destruction of such bond and its coupons, and upon receipt also of indemnity satisfactory to the Pacific Company and the Government, and the Pacific Company may charge for the issue of such new bond an amount sufficient to reimburse it for the expense incurred in the issue thereof.

Section 14. Nothing in this indenture, expressed or implied, is intended or shall be construed to give to any person or corporation, other than the parties hereto and the holders of bonds issued under and secured by this indenture, any legal

or equitable right, remedy or claim, under or in respect of this indenture, or under any covenant, condition or provision herein contained; all the covenants, conditions and provisions being intended to be, and being, for the sole and exclusive benefit of the said parties and of the holders of the bonds hereby secured.

ARTICLE FOUR.

THE GUARANTEE OF THE GOVERNMENT OF CANADA.

Section 1. The Government hath, in the manner and in the terms set forth in the said Transcontinental Railway Acts, agreed to guarantee payment of the principal and interest of the bonds to be issued under this mortgage, and doth hereby agree to guarantee the same accordingly.

Section 2. The said guarantee may be signed by the Minister of Finance and Receiver General, and when so signed, shall be binding according to the tenor thereof. The signature of the Minister of Finance and Receiver General to the said guarantee may be engraved upon the said bonds, and the Government may adopt and use for that purpose the engraved signature of the present Minister of Finance and Receiver General, notwithstanding the fact that the present Minister of Finance and Receiver General may have ceased to be such Minister at the time when such bonds shall be actually certified and delivered.

Section 3. Notwithstanding anything herein contained, no liability shall attach to the Government as guarantor of bonds to be issued hereunder, except in respect of bonds upon which the Government shall have endorsed its guarantee as aforesaid.

Section 4. No extension, waiver or other modification, given or granted, pursuant to the provisions in this mortgage contained, of the obligations of the Pacific Company under the provisions of said bonds, by the Trustee, or by all or any of the bondholders, or by such bondholders and Trustee acting together, shall release or discharge the Government from its obligation as guarantor of said bonds or upon its covenants herein contained.

Section 5. The provision made in the said agreement of the 18th day of February, 1904, in the words and figures following:—"Notwithstanding anything in the said contract contained, the Government may and shall, preserving always the proportions in the said contract provided as between the Prairie and Mountain Sections of the Western Division, implement for the purposes and subject otherwise to the provisions of the said contract, its guarantee of the bonds of the said Company to be issued for the cost of construction of the said Western Division, in such manner as may be agreed upon, so

as to make the proceeds of the said bonds so to be guaranteed a sum equal to seventy-five per centum of the cost of construction of the Western Division ascertained as provided in the said contract, but not exceeding in respect of the Prairie Section thirteen thousand dollars (\$13,000.00) per mile" is brought into and made part of this mortgage, but no new or additional liability beyond such liability as the said provision may create or import, is intended to be, or is hereby imposed upon, or undertaken by the Government.

ARTICLE FIVE.

COVENANTS OF THE PACIFIC COMPANY.

The Pacific Company covenants with the other parties hereto as follows:—

Section 1. All the covenants, stipulations, promises and agreements in this indenture contained, by or on behalf of the Pacific Company, shall extend to and be binding upon the successors and assigns of the said company.

Section 2. That it will in every respect, in accordance with the provisions of the Transcontinental Railway Acts, lay out, construct and equip the said Western Division within the period prescribed by such Acts or any extension thereof duly authorized.

Section 3. That it will duly and punctually pay, or cause to be paid, to every holder of any bond issued and secured hereunder, the principal and interest accruing thereon, at the dates and place and in the manner mentioned in such bonds, or in the coupons thereto belonging, according to the true intent and meaning thereof, without deduction from either principal or interest for any tax or taxes which may hereafter be imposed, levied or assessed, and which the Pacific Company may be required to pay or to retain therefrom, under any present or future law of the Dominion of Canada, or of any Province, county, municipality or territory thereof, the Pacific Company hereby agreeing to pay all such tax or taxes.

Section 4. Whenever required by the Trustee, the Pacific Company shall grant, release, convey, confirm, assign, transfer and set over unto the Trustee the estate, right, title and interest of the Pacific Company, in and to all the mortgaged premises, and also will do, suffer, execute, acknowledge and deliver, or will cause to be done, suffered, executed, acknowledged and delivered, all and every such further acts, deeds, conveyances, transfers and assurances for the better assuring, conveying and confirming unto the Trustee all and singular the said mortgaged premises, as the Trustee shall reasonably require for better accomplishing the objects and purposes of this indenture, and for securing payment of the principal and interest of the bonds intended to be hereby secured, and especially will, if

required by the Trustee, as soon as practicable execute, by way of further assurance, a supplementary deed or deeds of mortgage, containing, if necessary, a more definite description of the property intended to be covered by this mortgage or deed of trust.

Section 5. The Pacific Company shall, during construction and until the date of completion thereof which shall be the date fixed under section 7 of Article One hereof, pay all the interest upon the bonds issued by the Pacific Company and guaranteed by the Government hereunder on account of the construction of the Western Division and if default shall be made by the Pacific Company in the payment thereof, or of any part thereof the Government shall pay the same, and shall take up the coupons representing such interest; and any moneys so paid by the Government under its guarantee during the period of construction shall be held to have been paid in discharge of the liability of the Government, but not in discharge of the liability of the Pacific Company, and any moneys so paid by the Government shall continue to be a charge under this mortgage, and the Government shall be subrogated *pro tanto* to all the rights of the holders of the said bonds, the interest upon, or the principal of which shall have been paid in whole or in part by the Government, and shall, in respect of such bonds, be, in all respects, in the position of holders of bonds in respect of which default has been made, to the extent of the moneys so paid by the Government, and may exercise all the rights of such holders under this mortgage, and shall be entitled to be refunded moneys so paid during the period of construction out of the proceeds and interest thereon on deposit with the Bank.

Section 6. From the date of completion of the said Western Division, which shall be the date fixed under Section 7 of Article One hereof, the Pacific Company shall pay interest upon an amount of bonds equal to the principal of the bonds guaranteed by the Government on account of the construction of the Prairie Section, and if default shall be made by the Pacific Company in the payment thereof, or of any part thereof, the Government shall pay the same, and shall take up the coupons representing such interest; and any moneys so paid by the Government under its guarantee, whether for principal or interest, of the said bonds, shall be held to have been paid in discharge of the liability of the Government, but not in discharge of the liability of the Pacific Company with respect to the said bonds, and any moneys so paid by the Government shall continue to be a charge under this mortgage, and the Government shall be subrogated *pro tanto* to all the rights of the holders of the said bonds, the interest upon, or the principal of which shall have been paid in whole or in part by the Government, and shall, in respect of such bonds, be, in all respects, in the position of holders of bonds in respect of which default has been made, to the extent of the moneys so paid by the Government, and may exercise all the rights of such holders

under this mortgage, so long as it shall continue to pay, according to the tenor and effect thereof, the interest upon bonds of which the principal is not due and in respect of which interest the Pacific Company shall have made default.

Section 7. During the first seven years from the date of completion of the said Western Division, which shall be the date fixed under Section 7 of Article One hereof, the Government shall pay the interest upon an amount of bonds equal to the principal of the bonds guaranteed by the Government on account of the construction of the Mountain Section and shall not have recourse against the Pacific Company for any interest so paid ; and, after the expiration of the said period of seven years, the Pacific Company shall be primarily liable to pay the said interest, and if default shall thereafter be made by the Pacific Company in payment thereof, or of any part thereof, the Government shall pay the same and take up the coupons representing such interest, and any moneys so paid by the Government under its guarantee, whether for principal or interest of the said bonds, shall be held to be paid in discharge of the liability of the Government, but not in discharge of the liability of the Pacific Company with respect to the said bonds, and any moneys so paid by the Government shall continue to be a charge under this mortgage, and the Government shall be subrogated *pro tanto* to all the rights of the holders of the said bonds, the interest upon or the principal of which shall have been paid in whole or in part by the Government, and the Government shall, in respect of all moneys which it may so pay, be, in all respects, in the position of holders of bonds in respect of which default has been made, to the extent of the moneys so paid by the Government, subject to the following proviso and exception, namely,—That the Government shall not, during the next succeeding period of three years following the period of seven years above mentioned, be entitled to exercise any rights of foreclosure or sale against the Pacific Company, or to take possession of the said mortgaged premises, if the default of the Pacific Company consists only in the failure to pay during the said period of three years, the interest upon an amount of bonds equal to the principal amount guaranteed by the Government on account of the construction of the said Mountain Section, but any moneys so paid by the Government shall be repaid by the Pacific Company to the Government in the following manner:—At the end of the said period of three years, the whole amount so paid by the Government shall be capitalized and shall be repaid by the Pacific Company to the Government, with interest at the rate of three per centum per annum, or the Pacific Company may, at its option, repay the same in forty equal annual instalments, with interest at the rate aforesaid, or may give to the Government bonds for the amount of the said interest so capitalized, payable the first day of January, 1962, with interest at the rate aforesaid ; in any event, the

interest so capitalized, and the bonds so to be given therefor, if any, shall continue to be secured by this mortgage.

After the said period of ten years immediately following after the date of completion of the said Western Division, which shall be the date fixed under Section 7 of Article One hereof, the Government shall not exercise any rights in respect of possession, foreclosure or sale by reason of non-payment of interest by the company under the provisions of this mortgage, unless and until there shall be such default to the extent in the whole of a sum equal to five years of such interest as the company is not relieved from payment of or permitted to defer or capitalize, under the provisions of paragraphs 31, 32 and 33 of the said agreement of the 29th day of July, 1903.

Section 8. In case of such default being made by the Pacific Company in respect of the interest on the said bonds so guaranteed by the Government as would, under the provisions of the scheduled agreements, entitle the Government to take possession of the Western Division or to foreclose or to sell the same, the remedy of the Government shall, notwithstanding anything in this indenture contained, be the taking possession thereof by and through an agent or manager, to be appointed by the Government with the concurrence of the Pacific Company, or if they are unable to agree, by a majority of the Supreme Court of Canada, whose powers and duties shall be to manage and operate the Western Division and to receive all the tolls and revenues thereof, to pay thereout working expenditure as hereinbefore defined, including the expenses of such management or agency, and to distribute the surplus tolls and revenues, after payment of such working expenditure, *pari passu* between the Government or other holders of the bonds secured by this mortgage, and the holders of Four Per Cent Mortgage Sterling Bonds secured by a mortgage made by the Pacific Company to the National Trust Company as Trustee, constituting a second mortgage upon the said Western Division and other property of the Pacific Company therein described, in the proportion of seventy-five per centum of such surplus tolls or revenues to the holders of the former issue of bonds, and twenty-five per centum thereof to the holders of the latter issue of bonds.

Section 9. Should possession be taken as aforesaid, the right of the Government to such possession shall terminate if and when the application of the proportion of the said surplus tolls and revenues as in the last preceding section provided shall have paid off all arrears of the interest of the bonds secured by this mortgage.

Section 10. In the event of such default as aforesaid and the appointment of an agent or manager by the Government with the concurrence of the Pacific Company, or by the Supreme Court of Canada as hereinbefore provided, the trust hereby created shall not be terminated, but any duty or obligation of the said Trustee to take possession or otherwise enforce

this security shall, in respect of the Western Division, merely be suspended during the possession of the said agent or manager.

Section 11. Notwithstanding anything herein contained, this mortgage is subject, in the first instance, to the payment of any penalty which may now or hereafter be imposed upon the Pacific Company for non-compliance, in respect of the said Western Division, with the requirements of *The Railway Act*, 1903, and to the payment of the working expenditure, as hereinbefore defined, of the said two Sections of the Western Division respectively.

Section 12. The Pacific Company shall acquire adequate terminals and terminal facilities for the proper operation of the Western Division, and shall operate the Western Division and keep the same and all rolling stock, plant, machinery, works, fixtures, fittings, implements, utensils and other effects upon the same, covered by this mortgage, and every part thereof, in a good state of repair and in proper working order and condition, and shall, from time to time, provide such substituted or additional rolling stock, plant, machinery, works, fixtures, fittings, implements, utensils and other effects as may be required for the proper and efficient operation of the Western Division, and all such substituted or additional rolling stock, plant, machinery, works, fixtures, fittings, implements, utensils and other effects shall be subject in all respects to the trusts of this indenture; and the Pacific Company covenants and agrees that it will duly execute and deliver to the Trustee any and all instruments necessary or proper to subject such substituted or additional property to the lien of these presents.

Section 13. The Pacific Company shall, during the continuance of this security, carry on and conduct its business in a proper and efficient manner, keep proper books of account and, from time to time, give to the Government or to the Trustee any information which may reasonably be required relating to the affairs of the Pacific Company.

Section 14. The Pacific Company shall, during the continuance of this security, keep all structures, buildings, rolling stock and property at any time covered by this indenture insured against loss or damage by fire to such amounts as will reasonably protect the same, and shall pay all premiums and sums of money necessary for such purpose and exhibit the policies and receipts for the payment of premiums to the Trustee on request. If the Pacific Company fails to effect or keep in force such insurance, or produce evidence thereof at a reasonable time before the expiration of any contract for insurance from time to time in force, the Trustee may insure such property in like manner, and any moneys paid by the Trustee in respect thereof shall be immediately repaid by the Pacific Company with interest. No duty with respect to effecting or maintaining insurance shall rest upon the Trustee, and it shall not be responsible for any loss by reason of not insuring. All

insurance moneys payable by virtue of any such insurance shall be used only for the purpose of rebuilding or reinstating the property damaged or destroyed, or of building or procuring other property in lieu thereof; but if the Pacific Company shall decide not to rebuild or restore the property damaged, destroyed, or part thereof, or to procure other property in lieu thereof, or if the Pacific Company shall not take steps to rebuild or restore the property damaged or destroyed, or part thereof, or to procure other property in lieu thereof, within one year from the date of the damage or destruction, or such further time as the Trustee may in writing allow, the moneys shall be paid over to the Trustee and may be applied by the Trustee on the order of the Pacific Company to the purchase in open market of any of the bonds hereby secured or in default of such order as the Trustee in its discretion may see fit, and the Trustee upon receiving the bonds so purchased shall forthwith cancel and destroy the same and deliver to the Pacific Company an instrument in writing under its corporate seal stating the numbers and amounts of the said bonds, and certifying that they have been cancelled and destroyed. The Trustee shall be under no duty to see to the collection of the insurance moneys or any part thereof.

Section 15. The Pacific Company covenants and agrees that it has not created or suffered to be created, and that it will not create or voluntarily suffer to be created any lien or charge having priority to or preference over, or ranking *pari passu* with the lien or charge of these presents upon the mortgaged premises, or any part thereof, or upon the income thereof; and that, if any lien or charge shall hereafter arise or be created or take effect upon the mortgaged premises, or any part thereof, contrary to the terms of this covenant, the Pacific Company will, within three months after the same shall have accrued, pay, or cause to be paid and discharged, or will make adequate provision for the satisfaction and discharge of every such lien or charge, and that it will punctually pay and discharge all lawful claims and demands of vendors, materialmen, mechanics, labourers, and others, which, if unpaid, might operate as a lien or charge upon the premises hereby mortgaged, or any part thereof, or the income thereof: provided, however, that nothing in this indenture contained shall be construed so as to prevent the Pacific Company from acquiring on credit rolling stock, subject to agreement that the property therein is not to pass until payment thereof is made in full, which agreement shall, according to the terms thereof, be valid, but the Pacific Company covenants and agrees that it will, itself, punctually pay all claims and demands upon such rolling stock, according to the terms of any such agreement.

This provision shall not relieve the Pacific Company in any way from or affect its obligation to the Government under

paragraph 22 of the said agreement of the 29th day of July, 1903.

Section 16. The Pacific Company further covenants that it will from time to time pay and discharge all rates, taxes, levies, charges and assessments whatsoever, lawfully imposed upon the mortgaged premises, or upon any part thereof, or upon the income and profits thereof, the lien of which would be prior to the lien hereof, so that the priority of this indenture shall be fully preserved in respect of such premises.

Section 17. The Pacific Company further covenants and agrees that it will not issue hereunder to be at any one time outstanding bonds secured by this indenture in excess of the said sum of fourteen million pounds sterling, and that it will not issue, negotiate, sell or dispose of any bonds hereby secured, otherwise than in accordance with the provisions of this indenture.

ARTICLE SIX.

POSSESSION UNTIL DEFAULT AND RELEASE.

Section 1. Until default shall have been made in the due and punctual payment of the interest or of the principal of the bonds hereby secured, or of some part of such interest or principal, or in the due and punctual performance and observance of some covenant or condition hereof obligatory upon the Pacific Company, and until such default shall have continued beyond the period of grace, if any, herein provided in respect thereof, the Pacific Company, its successors and assigns, shall be suffered and permitted to retain actual possession of all the mortgaged premises, and to manage, operate and use the same and every part thereof, with the rights and franchises appertaining thereto, and to collect, receive, take, use and enjoy the tolls, earnings, income, rents, issues and profits thereof.

Section 2. If, when the bonds hereby secured shall have become due and payable, the Pacific Company shall well and truly pay, or shall cause to be paid, the whole amount of the principal and interest due upon all of the said bonds then outstanding and the coupons for interest thereon, or shall provide for such payment by depositing with the Trustee hereunder for the payment of such bonds and coupons the entire amount due thereon for principal and interest, then and in that case all the mortgaged premises shall revert to the Pacific Company, and the estate, right, title and interest of the Trustee shall thereupon cease, determine and become void, and the Trustee, on demand of the Pacific Company, and at its cost and expense, shall execute a release and discharge of this mortgage, and shall deliver to the Pacific Company, its successors and assigns, all the mortgaged premises and all securities, moneys, books, documents and other chattels and things held by it as Trustee hereunder.

ARTICLE SEVEN.

RELEASES OF MORTGAGED PROPERTY.

Section 1. Upon the written request of the Pacific Company, approved by resolution of its board of directors or executive committee and with the consent of the Government, the Trustee, from time to time, while the Pacific Company is in possession of the mortgaged premises, but subject to the conditions and limitations in this Article prescribed, and not otherwise, shall release from the lien and operation of this indenture any part of the mortgaged premises then subject thereto; provided (1) that no part of the line of railway or of the right of way of the Western Division shall be released, unless the same shall no longer be of use in the operation of any part of the mortgaged premises, and no part of such line of railway or of the right of way shall be so released if thereby the continuity of the railway between the several termini above-mentioned shall be broken; and (2) that no part of the mortgaged premises shall be released hereunder, unless at the time of such release it shall no longer be necessary or expedient to retain the same for the operation, maintenance or use, of such railway, or for use in the business of the Pacific Company.

Section 2. No such release shall be made under this Article unless the Pacific Company shall have sold, or shall have contracted to exchange for other property, or to sell, the property so to be released, and the proceeds of any and all such sales shall be set apart and held in trust, and applied, with the consent or approval of the Trustee, to the purchase of other property, real or personal, or in betterments of or additions to the equipment or to the rolling stock, or otherwise in the improvement of some part of the mortgaged premises.

Section 3. Any new or additional property acquired by the Pacific Company in the place of any property released under this Article, shall immediately become and be subject to the lien of this indenture, as fully as the property specially described herein, and, if requested by the Trustee, the Pacific Company shall convey the same to the Trustee, by appropriate deed or deeds, upon the trusts and for the purposes of this indenture.

Section 4. The Pacific Company, while in possession of the mortgaged premises, shall also have full power, in its discretion, from time to time, to dispose of any portion of the machinery, implements, tools, plant and equipment at any time held subject to the lien hereof, which may have become unfit for use, replacing the same by new machinery, tools, plant and equipment, which shall forthwith become subject to the lien of this indenture.

Section 5. The purchaser or purchasers of any property sold or disposed of under any provision of this Article shall

not be required to see to the application of the purchase money, or be responsible for the misapplication or non-application thereof.

Section 6. In case the mortgaged premises shall be in the possession of an agent or manager appointed on behalf of the Government under the power reserved and contained in the scheduled agreements, or of a receiver lawfully appointed under the provisions hereof, the powers in and by this Article conferred upon the Pacific Company may be exercised by such agent, manager or receiver, with the approval of the Trustee; and, if the Trustee shall be in possession of the mortgaged premises under the provisions hereof, then all such powers may be exercised by the Trustee in its discretion.

ARTICLE EIGHT.

REMEDIES OF TRUSTEE AND BONDHOLDERS.

Section 1. In case the Pacific Company and the Government shall make default in the payment of any interest on any bond or bonds hereby secured, or in case the Pacific Company shall make default in the performance of any of the covenants contained in section 15 of Article Five hereof, and any such default shall have continued for a period of six months, then and in every case of such continuing default, upon receiving from the chairman of a meeting of the bondholders a certified copy of an extraordinary resolution, as hereinafter defined, making a request for such action by the Trustee, the Trustee, by notice in writing delivered to the Pacific Company, shall declare the principal of all bonds hereby secured then outstanding to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this indenture or in said bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of said bonds shall have been so declared due and payable, all arrears of interest upon all such bonds, with interest at the rate of three per centum per annum on overdue instalments of interest, and the expenses of the Trustee, shall either be paid by the Pacific Company, or be collected out of the mortgaged premises before any sale thereof shall have been made, then and in every such case such default and its consequences may be waived by the Trustee, with the consent of the bondholders expressed by an ordinary resolution, as hereinafter defined, but no such waiver shall extend to or affect any subsequent default, or impair any right consequent thereon.

Section 2. (a) In case the Pacific Company and the Government shall make default in the payment of any interest on any bond or bonds secured by this indenture, or in case the Pacific Company shall make default in the performance of any of the covenants contained in section 15 of Article Five of this
182 indenture,

indenture, and any such default shall have continued for a period of six months :

(b) Or in case the Pacific Company shall make default in the due and punctual payment of the principal of any bond hereby secured :

(c) Or in case the Pacific Company shall make default in the due observance or performance of any other covenant or condition herein required to be observed, kept or performed by the Pacific Company, and any such default under this clause (c) hereof shall have continued for a period of six months after written notice thereof from the Trustee, then, and in each and every such case, the Trustee, by its officers, agents or attorneys, may exercise each and every of the remedies, trusts and powers following :

A. It may enter into and upon all or any part of the mortgaged premises, and may exclude the Pacific Company, its agents and servants, wholly therefrom, and, having and holding the same, may use, operate, manage and control the said mortgaged premises, and conduct the business thereof by its superintendents, managers, receivers, agents and servants or attorneys, to the best advantage of the holders of the bonds hereby secured, and upon every such entry the Trustee, subject to the payment of working expenditure, shall have the right to manage the mortgaged premises, and to carry on the business and exercise all the rights and powers of the Pacific Company in relation thereto, either in the name of the Pacific Company or otherwise, as the Trustee shall deem best ; and the Trustee shall be entitled to collect and to receive all tolls, earnings, income, rents, issues and profits of the same, and every part thereof ; and after payment of working expenditure and any other proper prior charges upon the said mortgaged premises or any part thereof, as well as just and reasonable compensation for its own services and for the services of all agents, clerks, servants and other employees by it necessarily and properly engaged and employed, it shall apply the moneys arising as aforesaid as follows :—

(1) In case the principal of the bonds hereby secured shall not have become due, to the payment of the interest in default, in the order of the maturity of the instalments of such interest, with interest thereon at the rate of three per centum per annum, such payments to be made ratably to the persons entitled thereto, without discrimination or preference.

(2) In case the principal of the bonds hereby secured shall have become due, by declaration or otherwise, first, to the payment of the accrued interest (with interest on the overdue instalments thereof at the rate of three per centum per annum) in the order of the maturity of the instalments, and then to the payment of the principal of all bonds hereby secured, such payments to be made ratably to the persons entitled thereto, without any discrimination or preference.

B. It may, with or without entry, by its officers, agents or attorneys, in its discretion, (a) sell to the highest and best bidder all and singular the mortgaged premises, and any such sale or sales shall be made at public auction in the city of Montreal, in the Dominion of Canada, or in such other place and at such time and upon such terms as the Trustee may fix and specify in the notice of sale to be given as herein provided; or (b) immediately upon the expiration of the six months in the two cases in which a continuance of default for six months is required before taking proceedings, and immediately upon default in payment of principal in the other case, may proceed to protect and enforce its rights and the rights of the bondholders under this indenture, by a suit or suits at law or in equity, whether for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the foreclosure of this indenture, or for the enforcement of such other appropriate legal or equitable remedy, as the Trustee, being advised by counsel learned in the law, shall deem most effectual to protect and enforce any of its rights or duties hereunder.

C. It may, with or without entry, in its discretion, lease the whole or any part of the mortgaged premises for such term or terms as it may deem expedient.

Section 3. In case the Trustee shall have proceeded to enforce any right under this indenture by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of a waiver, or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case, the Pacific Company and the Trustee shall severally and respectively be relegated to their former position and rights hereunder in respect of the mortgaged premises, and all the rights, remedies, and powers of the Trustee shall continue as though no such proceedings had been taken.

Section 4. Upon receiving from the chairman of a meeting of the bondholders a certified copy of an ordinary resolution making a request therefor, it shall be the duty of the Trustee, upon being indemnified, as hereinafter provided, to take all proper and necessary steps for the protection and enforcement of its rights and the rights of the holders of the bonds hereby secured, and to exercise the powers of entry or sale herein conferred, or both, or to take such appropriate proceedings by action, suit or otherwise as the Trustee, being advised by counsel learned in the law, shall deem most expedient.

Section 5. The bondholders shall have the right from time to time by extraordinary resolution to direct and control the method and place of conducting any and all proceedings for any sale of the mortgaged premises, or the foreclosure of this indenture, or the appointment of a receiver, or any other proceeding hereunder, and in the event of any sale, whether made under the power of sale hereby granted and conferred, or under or by virtue of judicial proceedings, to direct that the mort-

gaged premises shall be sold in one parcel and as an entirety, or in such parcels as the bondholders may deem best.

Section 6. Notice of any such sale pursuant to any provision of this indenture shall state the time and place when and where the same is to be made, and shall contain a brief general description of the property to be sold, and shall be sufficiently given if published once in each week for four consecutive weeks prior to such sale in *The Canada Gazette*, in a newspaper published in the city of Montreal, in a newspaper published in London, England, and in a newspaper published in the city of New York, respectively.

Section 7. The Trustee from time to time may adjourn any sale to be made by it under the provisions of this indenture, by announcement at the time and place appointed for such sale, or for such adjourned sale; and without further notice or publication, it may make such sale at the time and place to which the same shall be so adjourned.

Section 8. Upon the completion of any sale or sales under this indenture, the Trustee shall execute and deliver to the accepted purchaser or purchasers a good and sufficient deed, or good and sufficient deeds of conveyance of the property and franchises sold. The Trustee and its successors are hereby appointed the true and lawful attorney or attorneys irrevocable of the Pacific Company, in its name and stead to make all necessary deeds of conveyance of property thus sold, the Pacific Company hereby ratifying and confirming all that its said attorney or attorneys shall lawfully do by virtue hereof.

Section 9. Any such sale or sales made under or by virtue of this indenture, whether under the power of sale hereby granted and conferred, or under or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Pacific Company of, in and to the premises sold, and shall be a perpetual bar, both at law and in equity, against the Pacific Company, its successors and assigns, and against any and all persons claiming or to claim the premises sold, or any part thereof, from, through or under the Pacific Company, its successors or assigns.

Section 10. The personal property and chattels conveyed or intended to be conveyed by or pursuant to this indenture, shall be deemed to be part of the realty for all the purposes of this indenture, and shall be held and taken to be fixtures and appurtenances of the Western Division and are to be sold therewith and not separate therefrom, except as herein otherwise provided.

Section 11. The receipt of the Trustee shall be a sufficient discharge to any purchaser of the property or any part thereof sold as aforesaid, for the purchase money, and no such purchaser, or his agents, grantees or assigns, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this indenture, or shall, in any manner

whatsoever, be answerable for any loss, mis-application or non-application of any purchase money, or any part thereof, or be bound to enquire as to the authorization, necessity, expediency, or regularity of any such sale.

Section 12. In case of such sale, whether under the power of sale hereby granted or pursuant to judicial proceedings, the principal of all the bonds hereby secured, if not previously due, shall immediately thereupon become and be due and payable, anything in said bonds or in this indenture contained to the contrary notwithstanding.

Section 13. The purchase money, proceeds and avails of any sale hereunder, whether under the power of sale hereby granted or pursuant to judicial proceedings, together with any other sums which may then be held by the Trustee under any of the provisions of this indenture, as part of the trust estate or of the proceeds thereof, shall be applied as follows:—

First. In the payment of the costs and expenses of such sale, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all expenses, liabilities and advances necessarily made or incurred by the Trustee, and of working expenditure, and of liens prior to the lien of these presents, except any taxes, assessments or other superior liens to which such sale shall have been made subject.

Second. In case the net proceeds of such sale shall be sufficient, in the payment of the whole amount then owing or unpaid for principal and interest upon the bonds hereby secured, with interest at the rate of three per centum per annum on the overdue instalments of interest, and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the said bonds, then in the payment of such principal and interest, without preference or priority of principal over interest, or of interest over principal, or of any instalment of interest over any other instalment of interest, ratably to the aggregate of such principal and of the accrued and unpaid interest.

Third. The surplus, if any, shall be paid to the Pacific Company, its successors or assigns, or to such person or company as may be lawfully entitled to receive the same.

Section 14. In case of any sale hereunder any bondholder who becomes a purchaser shall be entitled to tender in payment on account of such purchase any bonds hereby secured and any matured and unpaid coupons appertaining thereto, and shall be credited, on account of the purchase price of the property purchased, with the sum, if any, payable out of the net proceeds of such sale on the bonds and coupons so tendered, or on the overdue coupons, as the case may be, and the amount so credited shall be endorsed thereon.

Section 15. In case there shall be any judgment outstanding against the Pacific Company then presently enforceable, or in case in any judicial proceeding by any party other than the Government or the Trustee, a receiver shall be appointed

in respect of the mortgaged premises, or a judgment be entered or order made for the sequestration of any part of the mortgaged premises, the Trustee shall thereupon be entitled forthwith to exercise the right of entry herein conferred, and also any and all other rights and powers herein conferred and provided to be exercised by the Trustee upon the occurrence and continuance of default as hereinbefore provided, and, as a matter of right, the Trustee shall thereupon be entitled to the appointment of a receiver and manager of the mortgaged premises with such powers as the court making such appointment shall confer. Provided that the right of entry and other rights and powers to be exercised by the Trustee hereunder shall not arise under this section by reason or on account of the taking possession of the mortgaged premises by an agent or manager appointed by the Government, pursuant to the provisions of the scheduled agreements.

Section 16. With the consent of the Trustee the Pacific Company may, at any time before the full payment of the principal and interest of the bonds hereby secured, and whenever it shall deem it expedient for the better protection and security of such bonds, although there may then be no default entitling the Trustee to enter into possession, surrender and deliver to the Trustee full possession of the whole or any part of the mortgaged premises, for any period fixed or indefinite. Upon such surrender and delivery to the Trustee, with its consent, the Trustee shall enter into and upon the premises so surrendered and delivered, and shall take and receive possession thereof, for such period, fixed or indefinite, as aforesaid, without prejudice, however, to its right at any time subsequently, when entitled thereto by any provision hereof, to insist upon and to maintain such possession, though beyond the expiration of any prescribed period. Upon any such voluntary surrender and delivery of said mortgaged premises, or of any part thereof, the Trustee, from the time of its entry, shall work, maintain, use, manage, control and employ the same in accordance with the provisions of this indenture, and shall receive and apply the income and revenues thereof as provided in section 2 of this Article.

Section 17. No holder of any bond or coupon hereby secured shall have any right to institute any action, suit, or proceeding, at law or in equity, for the foreclosure or sale of the mortgaged premises, or for the execution of any trust of this indenture, or for the appointment of a receiver, or for any other remedy hereunder, unless such holder shall have previously given to the Trustee written notice of such default and of the continuance thereof as hereinbefore provided; nor unless, also, an extraordinary resolution shall have been passed at a meeting of the bondholders requesting the Trustee to proceed to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name, and after a copy of such resolution duly certified by the chairman of such meeting shall

shall have been delivered to the Trustee, and it shall have had a reasonable opportunity thereafter to take such action; nor unless, also, there shall have been offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby; and such notification, request and offer of indemnity are hereby declared, in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this indenture, and to any action or cause of action for foreclosure or sale, or for the appointment of a receiver or manager, or for any other remedy hereunder; it being understood and intended that no one or more holders of bonds and coupons shall have any right in any manner whatever to affect, disturb or prejudice the lien of this indenture by his or their action, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided, and for the equal benefit of all holders of such outstanding bonds.

Section 18. Except as herein expressly provided to the contrary, no remedy herein conferred upon, or reserved to the Trustee, or to the holders of bonds hereby secured, is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

Section 19. No delay or omission of the Trustee, or of any holder of bonds hereby secured, to exercise any right or power accruing upon any default continuing as aforesaid, shall impair any such right or power, or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given to the Trustee or to the bondholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the bondholders respectively.

Section 20. No remedy by the provisions of this Article given to the Trustee or to the bondholders or both shall be exercisable without the consent of the Government expressed by Order in Council, so long as it shall continue to pay according to the tenor and effect thereof the interest upon bonds of which the principal is not due, and in respect of which interest the Pacific Company shall have made default.

ARTICLE NINE.

CONCERNING THE TRUSTEE.

Section 1. The Pacific Company shall pay all costs, charges and expenses necessarily and properly incurred by the Trustee in performing the trusts herein contained, including therein

remuneration to the Trustee, and remuneration, salary or fees necessarily and properly paid by the Trustee to any counsel, solicitors, attorneys, agents or other persons employed by it, and also (in addition to any right of indemnity by law given to the Trustee) shall at all times keep indemnified the Trustee against all actions, proceedings, costs, claims and demands in respect of any matter or thing lawfully done or omitted, in any wise relating to the trusts hereby created. The Trustee may retain and pay to itself out of any moneys in its hands, subject to the trusts hereof, the amount of such remuneration as for the time being may be due to it, and of such costs, charges and expenses as aforesaid.

Section 2. All costs, charges and expenses incurred and payments made by the Trustee, or by its agents, attorneys or servants, in the lawful exercise of the powers hereby conferred, including all such remuneration, salary or fees as shall necessarily and properly be paid to any counsel, solicitor, attorney, agent or other person employed by it, shall be payable by the Pacific Company on demand, and all such costs, charges, expenses and payments, and any interest thereon, and all remuneration payable to the Trustee hereunder shall be a charge on the mortgaged premises.

Section 3. The Trustee shall not be bound to take any step to enforce the performance of any of the covenants on the part of the Pacific Company in these presents contained, unless upon request in writing by the Government or upon request of the bondholders evidenced by an extraordinary resolution passed at a meeting of the bondholders, and the delivery to the Trustee of a copy duly certified by the chairman of such meeting, and then only if it shall be indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable, and all costs, charges, damages and expenses which it may incur by so doing.

Section 4. The Trustee may, except as herein otherwise provided, from time to time and at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Pacific Company of any of the covenants in these presents contained, and no waiver or license by the Trustee of any breach of any covenant or condition of this indenture shall affect or impair the right of the Trustee to enforce such covenant or condition in case of any subsequent breach thereof.

Section 5. The Trustee shall not be liable for or by reason of any failure or defect of title to or any encumbrance upon the mortgaged premises, or for or by reason of the statements of fact or recitals in this mortgage or in the bonds contained, or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Pacific Company only.

Section 6. The Trustee shall not be responsible for any neglect or default on the part of any servant or agent appointed

by it, if selected with reasonable care, nor for any error or mistake made in good faith.

Section 7. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor now held or hereafter acquired by the Pacific Company, and whether falling within a general or specific description of property hereunder, is hereby excepted out of the assignment or transfer of such lease or agreement hereby made, and does not and shall not form part of the mortgaged premises.

And it is hereby further declared and agreed that after any sale made under the powers herein contained of any leasehold interest forming part of the mortgaged premises, the Pacific Company shall stand possessed of the premises sold for the last day of the term granted by the lease thereof or agreement therefor, in trust for the purchaser or purchasers, his or their executors, administrators and assigns, to be assigned and disposed of as he or they may direct.

Section 8. The Trustee or any trustee hereafter appointed may resign and be discharged from the trusts created by this indenture, by giving notice in writing of such resignation to the Pacific Company and to the Government, and by publication of such notice at least once a week for four successive weeks in *The Canada Gazette* and in a newspaper published in the city of Montreal.

The Trustee may be removed at any time by an extraordinary resolution duly passed at a meeting of the bondholders, and the delivery to it of a copy of such resolution duly certified by the chairman of such meeting, but no such removal shall be made before default hereunder, without the written consent of the Pacific Company and of the Government.

Section 9. In case the Trustee or any trustee hereafter appointed shall at any time resign or be removed, or otherwise become incapable of acting, a successor may, with the consent of the Government, be appointed by an extraordinary resolution passed at a meeting of the bondholders, and the delivery to such successor of a copy of such resolution duly certified by the chairman of such meeting; provided, nevertheless, that in case there shall at any time be a vacancy in the office of Trustee hereunder, the Government and Pacific Company may by instrument in writing appoint a trustee to fill such vacancy until a new trustee shall be appointed by the bondholders, as herein authorized. The Pacific Company shall thereupon publish notice of the appointment of such trustee by the Government and the Pacific Company as aforesaid, once a week for four successive weeks in *The Canada Gazette* and in a newspaper published in London, England. Any new trustee so appointed by the Government and the Pacific Company shall immediately and without further act, be superseded by a trustee appointed as aforesaid, by extraordinary resolution, provided that such appointment be made by the bondholders

within six months after the last publication of such last mentioned notice, otherwise the Trustee so appointed by the Government and the Pacific Company shall continue to act hereunder.

Any such new trustee appointed hereunder shall execute, acknowledge and deliver to the trustee last in office, and also to the Pacific Company, an instrument accepting such appointment hereunder, and thereupon such new trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts, duties and obligations of the trustee under this indenture with like effect as if originally named as trustee herein, but the trustee ceasing to act shall, nevertheless, on the written request of the new trustee, execute and deliver an instrument transferring to such new trustee, upon the trusts herein expressed, all interest in the said estates, properties, rights, powers and trusts of the trustee so resigning or removed, and, upon the request of any such new trustee, the Government and the Pacific Company shall make, execute, acknowledge and deliver any and all deeds, conveyances or instruments in writing, for more fully and certainly vesting in and confirming to such new trustee all such estates, properties, rights, powers and trusts.

Upon every such appointment of a new trustee hereof, as aforesaid, the trust property shall, if and so far as the nature of the property and other circumstances shall require or admit, be deemed to be transferred so that the same shall without further or other conveyance or assignment be vested in the Trustee hereof for the time being.

ARTICLE TEN.

CONCERNING MEETINGS OF BONDHOLDERS.

Section 1. Meetings of bondholders may be held as herein-after provided, but, so long as the Government shall continue to pay, according to the tenor and effect of this indenture, the interest upon bonds of which the principal is not due and in respect of which interest the Pacific Company shall have made default, no meeting of bondholders shall be held without the consent of the Government, expressed by Order in Council, and neither the Pacific Company nor the Trustee shall convene such meeting until such consent shall have been first obtained.

In the following sections of this Article, wherever the word "bondholder" or "bondholders" is used, it shall be deemed to mean and include the Government, in every case where, under the provisions of this mortgage, the Government shall be entitled to represent and exercise the rights of holders of bonds of which as guarantor it shall have paid the interest in whole or in part, in which case the Government shall establish its right of voting by the certificate of the Trustee, or of any

bank or trust company approved by the Trustee, stating that the Government is the holder *pro tanto* of coupons representing an instalment or instalments of overdue interest.

Section 2. Subject to the provisions of section 1 of this Article, the Trustee or the Pacific Company may respectively, and the Trustee shall, at the request in writing of persons holding not less than one-fourth of the amount of the total vote as hereinafter defined at any time convene a meeting of the bondholders. Such meeting shall be held at such place in the city of Montreal, in London, England, or in the city of New York, as the Trustee shall determine.

Section 3. Notice of any meeting, specifying the place, day and hour of meeting and the general nature of the business to be transacted, shall be given to the bondholders by publication once a week for four successive weeks in *The Canada Gazette* and in a newspaper published in London, England, in a newspaper published in the city of New York and in a newspaper published in the city of Montreal. It shall not be necessary to specify in any such notice the terms of the resolutions to be proposed. A copy of such notice shall also be sent by post to the Trustee (unless the meeting shall be convened by it), at least two weeks before the day appointed for holding the meeting.

Section 4. At any such meeting, persons holding or representing by proxy one-fourth of the total vote as hereinafter defined shall form a quorum for the transaction of business other than business requiring the sanction of an extraordinary resolution as hereinafter provided. If within half an hour from the time appointed for any meeting of the bondholders, a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same hour and place, and if at such adjourned meeting a quorum is not present, the meeting shall be dissolved.

Section 5. Some person nominated in writing by the Trustee shall be entitled to take the chair at every such meeting, and, if no such person is nominated, or if, at any meeting, the person nominated shall not be present within fifteen minutes after the time appointed for holding the meeting, the bondholders present shall choose one of their number to be chairman.

Section 6. Every question submitted to a meeting of the bondholders shall be decided, in the first instance, by a show of hands, and in case of an equality of votes, the chairman shall, both on a show of hands and at the poll, have a casting vote, in addition to the vote or votes (if any) to which he may be entitled as a bondholder.

Section 7. At any such meeting of bondholders, unless a poll is demanded in writing by persons holding or representing by proxy one-twentieth of the total vote as hereinafter defined a declaration by the chairman that a resolution has been carried, or carried by any particular majority, or lost, shall be conclusive evidence of the fact.

Section 8. If at any meeting a poll is demanded as aforesaid, it shall be taken in such manner, and either at once or after an adjournment, as the chairman directs, and the result of such poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

Section 9. The chairman may, with the consent of any such meeting, adjourn the same from time to time.

Section 10. No poll shall be demanded on the election of a chairman, or on any question of adjournment.

Section 11. At any such meeting, the following persons and no others shall be entitled to vote :—

(1) Registered holders of bonds, or persons appointed as their proxies respectively, as hereinafter provided ;

(2) Bearers of bonds not registered ;

(3) Persons holding a certificate under the hand of the Trustee, or of any bank or trust company approved by the Trustee, stating that the holder of the certificate is entitled to the bonds described therein by their numbers respectively ;

(4) Persons representing the Government and holding its proxy in the cases provided for by section 1 of this Article.

Section 12. Each bondholder shall be entitled upon a poll to one vote in respect of each £100 of the principal amount of the bonds of which he is the registered holder, the bearer or the certificated holder as aforesaid, and the Government shall be entitled to such number of votes as shall bear to the number of votes held by the bondholders the same proportion as the moneys paid to bondholders by the Government for or on account of instalments of interest shall bear to the principal amount of such bonds, notwithstanding that under this provision the total amount of votes shall be thereby increased beyond the total number of bonds. And the words "total vote" when used in this Article shall mean the total vote which it is possible to cast under the provisions of this and the next preceding section.

Section 13. The instrument appointing a proxy shall be in writing under the hand of the appointor, or in the case of the Government under the hand of some officer duly authorized in that behalf, or if such appointor is a corporation, under its common seal, and any such instrument may be in the form following :—

THE GRAND TRUNK PACIFIC RAILWAY COMPANY.

I,

of

in the county of

being a holder of Three Per Cent First Mortgage Sterling Bonds, due 1962, of the above company, guaranteed by the Government of Canada, hereby appoint

as my proxy, to vote for me and on my behalf at the meeting of the said bondholders, to be held on the day of _____ and at any adjournment thereof.

Dated this _____

day of _____

(Signed)

Section 14. Except where under the provisions of section 1 of this Article a proxy is appointed on behalf of the Government, no person or corporation (other than the Trustee) shall be appointed as a proxy, who is not a bondholder or a director of a corporation which is a bondholder.

Section 15. The instrument appointing a proxy shall be deposited at such place as the Trustee or the Pacific Company may, in the notice convening the meeting, direct, or in case there is no such place appointed, then at the head office of the Pacific Company in the city of Montreal, or at the office of the Pacific Company in London, England, or at the office of the Pacific Company in the city of New York, according as the meeting is convened to be held in Montreal, or London, or New York, respectively, not less than forty-eight hours before the time for holding the meeting at which the person named in such instrument proposes to vote, but no instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution, and no proxy shall be used at any adjourned meeting which could not have been used at the original meeting.

Section 16. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal, or revocation of the proxy, or transfer of the bonds in respect of which the vote is given, unless notice in writing, of such death, insanity, revocation or transfer shall have been received at the office of the Pacific Company at the place where the meeting is appointed to be held, at least forty-eight hours before the time appointed for holding the meeting.

Section 17. Where there are joint registered holders of any bond or bonds, any one of such persons may vote at any such meeting either personally or by proxy in respect of such bond or bonds, as if he were solely entitled thereto, but, if more than one of such joint holders be present at any meeting, personally or by proxy, that one of such persons so present whose name stands first on the register in respect of such bond or bonds, shall alone be entitled to vote in respect thereof.

Section 18. A meeting of the bondholders shall, in addition to the powers in these presents hereinbefore specifically given, have the following powers, exercisable by extraordinary resolution as hereinafter defined, namely :—

(1) Power to sanction the surrender or release of any of the mortgaged premises.

(2) Power to sanction any modification or compromise of the rights of the bondholders against the Government or the Pacific Company, or against the property of said Company, whether such rights shall arise under these presents or otherwise.

(3) Power to assent to any modification of the provisions contained in these presents which shall be proposed by the Pacific Company and assented to by the Government and the Trustee.

Section 19. The expression "extraordinary resolution," when used in these presents, means a resolution passed by a majority of not less than three-fourths in value of the total vote as hereinafter defined represented and entitled to vote at a meeting of the bondholders duly convened and held in accordance with the provisions herein contained, at which there shall be present in person or by proxy, voters of not less than two-thirds in value of the total vote as hereinbefore defined. The expression "ordinary resolution" when used in these presents, means any other resolution duly passed at a meeting of bondholders duly convened and held in accordance with the provisions herein contained.

ARTICLE ELEVEN.

ACCEPTANCE OF TRUST, EXECUTION, AND DEPOSIT OF MORTGAGE.

Section 1. The Royal Trust Company party hereto of the Second Part, hereby accepts the trusts in this indenture declared and provided, as herein set forth.

Section 2. This indenture may be executed in six counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

Section 3. This indenture, when executed, shall be deposited by the Pacific Company in the office of the Secretary of State for the Dominion of Canada, and notice thereof shall be given by the Pacific Company in *The Canada Gazette* immediately after such deposit, and this indenture is not required to be registered elsewhere or in any other manner.

In Witness Whereof, the parties hereto of the first and second parts have duly caused these presents to be executed and their respective corporate seals to be hereunto affixed, and the said the Honourable William Stevens Fielding, Minister of Finance and Receiver General of the Dominion of Canada, acting herein on behalf of and representing His Majesty King Edward the Seventh in respect of the said Dominion of Canada,

hath hereunto set his hand and seal the day and year first above written.

THE GRAND TRUNK PACIFIC RAILWAY COMPANY

By



CHAS. M. HAYS,
President.

HENRY PHILIPS,
Secretary.

THE ROYAL TRUST COMPANY

By



GEO. A. DRUMMOND,
Vice-President.

H. ROBERTSON,
Manager.



W. S. FIELDING,
Minister of Finance and Receiver General.

SCHEDULE B.

This indenture, made the 15th day of March, 1905,
Between :

The Grand Trunk Pacific Railway Company, a company duly incorporated by the Parliament of Canada (hereinafter called the "Pacific Company"), of the first part ;

National Trust Company, Limited, a company duly incorporated under the laws of the province of Ontario in the Dominion of Canada (hereinafter called the "Trustee"), of the second part ; and

The Grand Trunk Railway Company of Canada, a company duly incorporated by the Legislature of the late Province of Canada and now under the legislative jurisdiction of the Parliament of Canada (hereinafter called the "Grand Trunk Company"), of the third part ;

Whereas, the Pacific Company was incorporated by an Act of the Parliament of Canada, chapter 122 of the statutes of 1903, with authority, among other things, to construct and operate the line of railway hereinafter mentioned ;

And whereas, under date of the 29th day of July, 1903, an agreement was entered into between His Majesty the King, acting in respect of the Dominion of Canada (hereinafter called the "Government") and Sir Charles Rivers Wilson,

C.B., G.C.M.G., and others, representing therein and acting on behalf of The Grand Trunk Pacific Railway Company, a company to be incorporated by Act of the Parliament of Canada at the then present session thereof, respecting the construction and operation of a line of railway from Moncton, in the province of New Brunswick, and thence westerly across the continent to the Pacific Ocean, (therein designated as "The National Transcontinental Railway"), which said agreement forms the schedule to an Act of the Parliament of Canada, chapter 71 of the statutes of 1903, and, subject to the provisions of said Act, is thereby ratified and confirmed ;

And whereas, the Pacific Company under date of the 18th day of February, 1904, entered into a further and supplementary agreement with the Government respecting the construction and operation of the said railway, which said agreement forms the schedule to an Act of the Parliament of Canada, chapter 24 of the statutes of 1904, and subject to the provisions of the said Act and of chapter 71 of the statutes of 1903 hereinbefore referred to, is also thereby ratified and confirmed. The said two respective agreements are hereinafter referred to as the Scheduled Agreements and the said two Acts, respectively confirming the same, are with their said schedules hereinafter referred to as the "Transcontinental Railway Acts ;"

And whereas, the Transcontinental Railway Acts provide in effect for the construction and operation of a line of railway between the city of Moncton, in the province of New Brunswick, and the navigable waters of the Pacific Ocean, at or near Port Simpson or some other port in British Columbia, as may be agreed upon, comprising two Divisions, to be called the "Eastern Division" and the "Western Division," respectively, the Eastern Division of which shall comprise the portion of said railway to be constructed from its eastern terminus, through the central part of the province of New Brunswick and through the province of Quebec, by the shortest available line to the city of Quebec ; thence westerly through the northern part of the provinces of Quebec and Ontario, and through the province of Manitoba to the city of Winnipeg ; and the Western Division of which shall comprise the portion of the said railway between the said city of Winnipeg, or some point on the said Eastern Division, and the Pacific Ocean, extending westerly through the province of Manitoba, the North-west Territories and the province of British Columbia ; the said Eastern Division to be constructed by, and at the expense of, the Government and to be leased to the Pacific Company upon the terms and conditions provided in the Transcontinental Railway Acts ; and the said Western Division to be constructed and operated by the Pacific Company ;

And whereas the said Western Division has, for convenient reference, been divided into two Sections, one extending from the eastern terminus thereof westerly to the eastern limit of

the Rocky Mountains, to be established as hereinafter provided, to be designated the "Prairie Section," and the other extending westerly from the western terminus of the Prairie Section to the western terminus of the said Western Division, to be designated the "Mountain Section";

And whereas the Transcontinental Railway Acts further provide that, for the purpose of aiding the Pacific Company in the construction of the Western Division, the Government shall guarantee payment of the principal and interest of an issue of bonds to be made by the Pacific Company for a principal amount equal to 75 per centum of the cost of construction of the said division, as defined and ascertained in accordance with the provisions of paragraph 18 of the said Agreement of 1903, but that such principal amount shall not, in respect of the Prairie Section, exceed \$13,000 per mile of the mileage thereof, although 75 per centum of such cost of construction may have exceeded the said sum of \$13,000 per mile and shall preserving always the proportions in said Agreement provided as between the Prairie and the Mountain Sections of the Western Division, implement, for the purposes and subject otherwise to the provisions of said Agreement, its guarantee of bonds of the Pacific Company to be issued for the cost of construction of the said Western Division, in such manner as may be agreed upon, so as to make the proceeds of the said bonds so to be guaranteed a sum equal to 75 per centum of the cost of construction of the Western Division ascertained as provided in the said Agreement, but not exceeding, in respect of the Prairie Section, \$13,000 per mile;

And whereas the Transcontinental Railway Acts further provide that the mortgage to secure the payment of the issue of first mortgage bonds to be guaranteed by the Government shall be a first charge upon the railway, undertaking, equipment and property, tolls, rights and franchises of the Pacific Company, including all equipment and property to be thereafter acquired by the Pacific Company (but not including branch lines exceeding six miles in length or the revenues therefrom or the franchises in connection therewith, or such additional rolling stock as may, with the assent of the Government, be designated and marked by the Pacific Company as constituting the equipment thereof, and not including ships or any municipal or provincial grants of land, by way of bonus or subsidy, to the said Pacific Company other than for railway purposes);

And whereas by paragraph 34 of the said Agreement of 1903, the Pacific Company agrees that, inasmuch as the bonds to be guaranteed by the Government only make provision for a part of the cost of construction of the Western Division, the Grand Trunk Company shall guarantee bonds of the Pacific Company for the balance required for the construction of said Western Division, exclusive of the twenty million dollars required for first equipment which the Pacific Company is required to provide under paragraph 22

of said Agreement, and it is, by said paragraph 34, as amended by paragraph 14 of said Agreement of 1904, provided that the Pacific Company may issue a second series of bonds to be guaranteed as aforesaid by the Grand Trunk Company, to be a second charge upon the property referred to and described in paragraph 35 (b) of the said Agreement, and to be subject to, and to rank upon the said property next after the said bonds so to be issued and guaranteed by the Government;

And whereas by the said paragraph 35 (b) of the said Agreement of 1903 the mortgage to secure the issue of mortgage bonds to be so guaranteed by the Grand Trunk Company is to be a second charge upon the railway, undertaking, equipment and property, tolls, rights and franchises of the Pacific Company, including all equipment and property to be thereafter acquired by the Pacific Company save and except the rolling stock constituting the equipment of the Eastern Division of said railway, (but not including branch lines exceeding six miles in length or the revenues therefrom or the franchises in connection therewith, or such additional rolling stock as may, with the assent of the Government, be designated and marked by the Pacific Company as constituting the equipment thereof, and not including ships or any municipal or provincial grants of land, by way of bonus or subsidy, to the Pacific Company other than for railway purposes), and by paragraph 35 of said agreement of 1903 it is further provided that the several mortgages and all bonds and securities required to carry the said Agreement into effect shall be in such form and contain such provisions not inconsistent with the terms of the said Agreement as the Government may approve;

And whereas the Government acting by and through the Governor in Council has approved the form and provisions of this mortgage and of the bonds intended to be secured thereby;

And whereas the said Pacific Company, under the powers conferred by the said several Acts hereinbefore recited, and every other power in any wise vested in it, has determined to create and issue bonds to be called Four Per Cent Mortgage Sterling Bonds, due 1955, Series A and Series B, respectively, for an amount of principal which shall not exceed £4,150,000 (the bonds of Series A to be in the aggregate for an amount of principal not exceeding £2,100,000 and the bonds of Series B to be in the aggregate for an amount of principal not exceeding £2,050,000) and which shall bear interest at the rate of four per centum per annum, payable semi-annually, to be secured by this mortgage upon the railway, undertaking, equipment and property, tolls, rights and franchises of the Pacific Company hereinafter described, with their appurtenances, and to be guaranteed as to principal and interest by the Grand Trunk Company pursuant to the terms of this mortgage;

And whereas the form of the bonds, and of the coupons to be attached thereto, of the certificate to be signed by the Trustee and of the guarantee to be signed by The Grand Trunk Company are to be substantially as follows:

[*Form of Bond.*]

No..... £

THE GRAND TRUNK PACIFIC RAILWAY COMPANY.

Incorporated by Act of the Parliament of Canada, Cap. 122, Statutes of 1903.

Four Per Cent Mortgage Sterling Bond, Due 1955,
(Series....).

Unconditionally Guaranteed by the Grand Trunk Railway Company of Canada.

This bond is one of Series....of an issue of bonds of The Grand Trunk Pacific Railway Company known as its Four Per Cent Mortgage Sterling Bonds, due 1955, consisting of two series of such bonds designated as Series A and Series B, respectively, issued and to be issued, for an aggregate principal amount not exceeding four million one hundred and fifty thousand pounds sterling at any one time outstanding; the bonds of Series A issued and to be issued in respect of the Prairie Section of said Company's railway for an aggregate principal amount not exceeding two million one hundred thousand pounds sterling at any one time outstanding, and the bonds of Series B issued and to be issued in respect of the Mountain Section of said railway for an aggregate principal amount not exceeding two million and fifty thousand pounds sterling at any one time outstanding. Said bonds are in denominations of £100 and £200 (of which not more than £830,000 shall be in the denomination of £100 each), bearing interest at the rate of four per cent per annum, all of the bonds of each of said series respectively ranking *pari passu*. The said bonds are authorized under Acts of the Parliament of the Dominion of Canada, being Caps. 71 and 122, statutes of 1903, and Caps. 24 and 80, statutes of 1904, and by resolutions of the Board of Directors of the Grand Trunk Pacific Railway Company, duly passed on the 11th day of March, 1905, which resolutions were duly ratified and confirmed at a meeting of the shareholders of the said Company on the 11th day of March, 1905.

Know all men by these presents, that The Grand Trunk Pacific Railway Company, a corporation hereinafter called the Pacific Company, for value received, promises to pay to the bearer, or if registered, to the registered holder, of this bond, on the first day of April, 1955, at its office or agency in London, England,..... hundred pounds sterling, and to
200 pay

pay interest thereon (but only upon presentation and surrender, as they severally mature, of the coupons therefor annexed hereto) at the rate of four per centum per annum from the first day of April, 1905, semi-annually on the first day of April and the first day of October in each year, at said office or agency, the first of said payments to become payable on the first day of October, 1905

Both the principal and interest of this bond are payable without deduction for any tax or taxes which the Pacific Company may be required to pay or to retain therefrom under any present or future law of the Dominion of Canada, or of any province, county, municipality or territory thereof, the Pacific Company hereby agreeing to pay all such tax or taxes.

This bond is one of Series..... of an issue of bonds of the Pacific Company known as its Four Per Cent Mortgage Sterling Bonds, due 1955, consisting of two series of such bonds designated as Series A and Series B, respectively, issued and to be issued, for an aggregate principal amount not exceeding four million one hundred and fifty thousand pounds sterling at any one time outstanding, under and in pursuance of, and all secured by, a mortgage or deed of trust dated the 15th day of March, 1905, executed by the Pacific Company to the National Trust Company, Limited, as Trustee, of the property and franchises of the Pacific Company now owned or hereafter to be acquired conveyed in trust by said mortgage or deed of trust, to which reference is hereby made for a statement of the property and franchises mortgaged, the nature and extent of the security, the rights of the holders of said bonds of each of said series under the same, and the terms and conditions upon which said bonds are to be issued and secured. The bonds of Series A are issued and to be issued in respect of the Prairie Section of said Company's railway for an aggregate principal amount not exceeding two million one hundred thousand pounds sterling, at any one time outstanding, and the bonds of Series B are issued and to be issued in respect of the Mountain Section of said railway for an aggregate principal amount not exceeding two million and fifty thousand pounds sterling, at any one time outstanding.

The said mortgage or deed of trust is subject to a first mortgage or deed of trust executed by the Pacific Company to secure bonds of that Company, which are to be guaranteed by the Government of the Dominion of Canada.

This bond may, at the holder's option, be registered as to the principal thereof on the books of the Pacific Company at its head office in the city of Montreal, or at its office or agency in London, England, or at its office or agency in the city of New York and be made payable, as to the principal thereof, only to the registered holder named therein, but such registration shall not affect the negotiability of the coupons by delivery. After such registration, certified hereon, no transfer shall be valid, unless made by

the registered holder or his duly authorized attorney on the Pacific Company's books at the office where such registration was made and similarly noted on the bond, but the same may be discharged from registry by being transferred on the books at such office to bearer, such transfer being similarly noted on the bond, and thereafter transferability by delivery shall be restored, but this bond may again, from time to time, be registered or transferred to bearer as before.

The Pacific Company agrees that it will not at any time hereafter, so long as any of the said bonds shall be outstanding, create or suffer to be created any charge upon, or issue any bond or bonds which shall be a lien upon, any of the property for the time being forming a part of the security for the repayment of the principal and interest due under said bonds, in priority to or *pari passu* with the charge or lien securing the said bonds or any of them, except so far as is provided by the said mortgage or deed of trust.

This bond shall not be valid or become obligatory for any purpose until it shall have been authenticated by the certificate of the Trustee hereon endorsed.

This bond is to have endorsed hereon the guarantee of The Grand Trunk Railway Company of Canada.

In witness whereof, The Grand Trunk Pacific Railway Company has caused these presents to be signed by its President or one of its Vice-Presidents, and its corporate seal to be hereunto affixed, and to be attested by its Secretary or an Assistant Secretary, and coupons for said interest with the engraved signature of its Treasurer to be attached hereto as of the 1st day of April, 1905.

THE GRAND TRUNK PACIFIC RAILWAY COMPANY,

By

[L. s.]

.....

President.

.....

Secretary.

[*Statement to be stamped or engraved on the Bond.*]

At the option of the holder of this bond The Grand Trunk Pacific Railway Company will pay the principal and interest of said bond at the respective maturities thereof at its office or agency in the City of New York, in gold coin of the United States of America of the present standard of weight and fineness, at the fixed rate of exchange of four and $\frac{86}{100}$ dollars (\$4.86) to the pound sterling, or at its office or agency in the

city of Montreal, Canada, in currency of the Dominion of Canada at the same fixed rate of exchange.

THE GRAND TRUNK PACIFIC RAILWAY COMPANY,

By

CHAS. M. HAYS,
President.

[*Form of Coupon.*]

No.....

£

On the first day of, The Grand Trunk Pacific Railway Company will pay to the bearer at its office or agency in London, England,.....pounds sterling, being six months' interest then due on its Four Per Cent Mortgage Sterling Bond, due 1955 (Series.....), No. guaranteed by The Grand Trunk Railway Company of Canada.

FRANK SCOTT,
Treasurer

[*Statement to be stamped or engraved on each Coupon.*]

Payable at \$..... in New York in U. S. gold coin, or in Montreal in Canadian currency.

[*Form of Trustee's Certificate.*]

This certifies that this Bond is one of Series.....of an issue of Four Per Cent Mortgage Sterling Bonds, due 1955, described in the within-mentioned mortgage or deed of trust executed by The Grand Trunk Pacific Railway Company to the undersigned as Trustee.

NATIONAL TRUST COMPANY, LIMITED,
Trustee.

By

.....

Manager.

And whereas the Grand Trunk Company has approved of the form and provisions of this mortgage and of the bonds to be secured hereby, and of the form of guarantee as hereinafter set forth, namely :

[*Form of Guarantee.*]

For value received, The Grand Trunk Railway Company of Canada, having been thereunto duly authorized, hereby un-
203 conditionally

conditionally guarantees the prompt payment of the principal and interest of the within bond according to the tenor thereof, and it agrees that if such payment is not made it will itself forthwith make such payment.

In witness whereof The Grand Trunk Railway Company of Canada has caused this guarantee to be signed on its behalf by its Treasurer thereunto authorized under the seal of the Company by a resolution of its Board of Directors dated the 21st day of December, 1904.

THE GRAND TRUNK RAILWAY COMPANY OF CANADA,

By

.....

Treasurer.

And whereas the creation, and issue of the said Four Per Cent Mortgage Sterling Bonds, due 1955, and the execution of this mortgage to secure the same have been duly authorized by the Board of Directors of the Pacific Company in terms of the resolutions passed at a Board meeting duly held on the 11th day of March, 1905, copies of which are as follows :

“Resolved that, for the purpose of providing for the payment of the cost of construction of the Western Division of the Company’s railway, this Company shall create and issue its bonds in two series, as hereinafter provided, secured upon the railway, undertaking, equipment and property, tolls, rights and franchises of the Company, to be known as its Four Per Cent Mortgage Sterling Bonds, due 1955, (Series A and Series B, respectively) for an aggregate principal amount which shall not in any event exceed the sum of £4,150,000 at any one time outstanding. Such bonds shall be issued in two series to be known as Series A and Series B, respectively, Series A to be issued in respect of the Prairie Section of said Western Division for an aggregate principal amount which shall not exceed the sum of £2,100,000 at any one time outstanding, and Series B to be issued in respect of the Mountain Section thereof for an aggregate principal amount which shall not exceed the sum of £2,050,000 at any one time outstanding, and shall be payable in sterling on the first day of April, 1955, at the office or agency of the Company, in London, England, and shall bear interest at the rate of four per centum per annum, from the first day of April, 1905, payable in sterling semi-annually, on the first day of April, and the first day of October, in each year, at said office or agency. Said bonds may be of such denominations as the Directors shall determine, provided that such bonds shall not be issued for any denomination less than £100 sterling.

“ Resolved further, that the proper officers of the Company may cause to be stamped or engraved on each of said bonds before the issue thereof a statement in the form following, to wit :

“ At the option of the holder of this bond The Grand Trunk Pacific Railway Company will pay the principal and interest thereof at its office or agency in the city of New York, in gold coin of the United States of America of the present standard of weight and fineness, at the fixed rate of exchange of four and $\frac{86}{100}$ dollars (\$4.86) to the pound sterling, or at its office or agency in the City of Montreal, Canada, in currency of the Dominion of Canada at the same fixed rate of exchange.’

“ And upon each coupon attached to said bonds a statement in form following, to wit:

“ ‘Payable at \$ _____ in New York in U.S. gold coin, or in Montreal in Canadian currency.’ ”

“Resolved further, that, in order to secure payment of said bonds issued and to be issued, with the interest thereon, this Company shall execute a mortgage or deed of trust to the National Trust Company, Limited, a company duly incorporated under the laws of the Province of Ontario, in the Dominion of Canada, as Trustee, covering the railway, undertaking, equipment and property, tolls, rights and franchises of this Company described in the draft of mortgage now submitted to this Board.

“ And resolved further, that said draft of mortgage and the form of bonds and coupons and statements to be stamped or engraved thereon, respectively, and of the guarantee of The Grand Trunk Railway Company of Canada to be endorsed on said bonds, which are embodied in the said draft mortgage, be and the same are hereby approved, and that the President or one of the Vice-Presidents and the Secretary of this Company be and they are hereby authorized to execute the said mortgage and bonds on behalf of this Company under its corporate seal.

“Resolved, further, that the statement to be stamped or engraved on said bonds shall be authenticated by the engraved signature of the present President of the Company and the Company may adopt and use for that purpose the engraved signature of any person who shall have been such President, notwithstanding the fact that such person may have ceased to be such President at the time when such bonds shall be actually certified and delivered.

“And resolved further, that in case the officers who shall have signed and sealed any of such bonds shall cease to be officers of the Company before the bonds so signed and sealed shall have been actually certified and delivered by the Trustee, such bonds may nevertheless be adopted and used by the Company, and upon the written request of this Company may be issued, certified and delivered as though the persons who

signed and sealed such bonds had not ceased to be officers of the Company. The coupons to be attached to such bonds may be authenticated by the engraved signature of the present Treasurer or any future Treasurer of the Company and said Company may adopt and use for that purpose the engraved signature of any person who shall have been such Treasurer, notwithstanding the fact that such person may have ceased to be such Treasurer at the time when such bonds shall be actually certified and delivered."

And whereas the said resolutions of the Board of Directors of the Pacific Company together with said draft of mortgage and the form of bonds and coupons and statements to be stamped or engraved thereon, respectively, and of the guarantee of the Grand Trunk Company to be endorsed on said bonds, which are embodied in the said draft mortgage were thereafter submitted to a meeting of the shareholders of the Pacific Company duly called and held in conformity with the provisions of the Railway Act, 1903, at which shareholders representing at least two-thirds in value of the subscribed stock of the Pacific Company and who had paid all calls due thereon were present in person or represented by proxy, and the said resolutions of the said Board of Directors were in all things at the said meeting duly ratified and confirmed ;

And whereas this mortgage is substantially in the form of the said draft mortgage approved by the directors and the shareholders at the said meetings, respectively ;

And whereas the form of bonds, coupons to be attached thereto, the said statements thereon, the Trustee's certificate to be signed by the said Trustee, and the guarantee to be endorsed thereon by the Grand Trunk Company, as the same were approved by the directors and the shareholders as above set forth, are severally substantially set forth in this mortgage ;

And whereas in pursuance of such authority and of all and every legal power and authority in it vested, the Pacific Company proposes now to issue and deliver the bonds hereby secured, and to execute this indenture to secure the said bonds and to declare the terms and conditions upon which every such bond is and shall be issued and secured.

Now, therefore, this indenture witnesseth as follows :

ARTICLE ONE.

MEANING OF TERMS.

Section 1. The Grand Trunk Pacific Railway Company, a company duly incorporated by the Parliament of Canada, is herein called the "Pacific Company"; The Grand Trunk Railway Company of Canada, a company duly incorporated by the Legislature of the late Province of Canada, and now under the legislative jurisdiction of the Parliament of Canada,

is herein called the "Grand Trunk Company"; and the National Trust Company, Limited, a company duly incorporated under the laws of the Province of Ontario in the Dominion of Canada, is herein called the "Trustee."

Section 2. All the covenants, stipulations, promises and agreements in this indenture contained, by or on behalf of the Pacific Company, or of the Grand Trunk Company, shall extend to and be binding upon the successors and assigns respectively of each of the said Companies.

Section 3. Unless there is something in the subject or context inconsistent therewith, the words "the Trustee" shall be construed to refer to and describe the Company which shall, for the time being, be charged with the execution of any of the trusts of these presents whether such company shall be the Company named herein as the Trustee or any successor of the said company in the said trusts.

Section 4. The expression "the mortgaged premises" shall include all the premises and franchises hereby mortgaged or charged in any way with the payment of moneys intended to be secured by these presents.

Section 5. For the purposes of reference in this mortgage the portion of the railway of the Pacific Company, referred to in the said Transcontinental Railway Acts as the Western Division, shall be considered as being divided into two sections, namely (1) extending from the eastern terminus thereof, at the City of Winnipeg or at some point on the Eastern Division of the National Transcontinental Railway not East of the ninety-sixth meridian of longitude, thence westerly to a point at or near the eastern limit of the Rocky Mountains, to be designated the "Prairie Section," and (2), extending westerly from the western terminus of the said Prairie Section to the western terminus of the said Western Division, to be designated the "Mountain Section." The said eastern limit of the Rocky Mountains shall be established after the location of the line, and after actual surveys have determined the profile thereof upon such location, and shall be fixed and agreed upon by the Chief Engineer of the Pacific Company and the Chief Engineer of the Government as the result of such surveys, having regard to the physical features of the country and to the cost of construction, and endeavouring as fairly as possible to determine where the more easy and less expensive work characteristic of prairie construction comes to an end, and the more difficult and expensive work characteristic of mountain construction begins, and, in case the said Engineers shall differ, the question shall be determined by the said Engineers and a third arbitrator, to be chosen by them, and, in the event of their being unable to agree on a third arbitrator, the Chief Justice of the Supreme Court of Canada may appoint the said third arbitrator, and the decision of the majority shall be final.

Section 6. The expression "construction work," for the purposes of this mortgage generally, and of the securities issued and to be issued hereunder, and more particularly for the purposes of Section 5 of Article Three of this mortgage, shall mean and include all wages, materials and supplies for construction of the Section of the Railway in respect of which such expression is used, or any part thereof, material purchased or acquired for the purposes of such construction, machinery, plant, implements, tools, services and transportation required for, or entering into, the cost of such construction, expenditure for right-of-way and other lands required for the purposes of said Section and for terminal facilities thereof, expenditure for compensation for lands injuriously affected, for accommodation works and damages, for compensation for injuries, accidents and casualties to persons and property incidental to or arising out of such construction, for preliminary expenses, surveys and engineering, maintenance, repairs and replacement of works and materials during construction, superintendence and management, bookkeeping, legal and medical expenses, and, generally, all costs and expenditure occasioned by the construction of such Section, whether of the same kind as, or differing from, the classes of expenditure especially above mentioned, including stamp duties, banking charges, exchange and interest upon the money expended: Provided, however, that no materials or supplies shall be included in the expression "construction work," unless and until they shall have been delivered in Canada to the Pacific Company.

Where the work is done under contract, the expression "construction work" shall also include payments and obligations to contractors for construction of any part of such Section.

The expression "construction work" shall also include the material, supplies and labour expended in the construction of the telegraph and telephone lines reasonably required for the operation of the Section of the Western Division of the Railway in respect of which such expression is used, or any part thereof.

The said expression "construction work" in regard to the Section in respect of which the same is used shall also include any sum or sums of money paid or to be paid by the Pacific Company as interest accruing, or about to accrue, during the period of construction, as hereinafter defined, upon the bonds issued and to be issued by the Pacific Company and guaranteed by the Government under the said first mortgage, and also upon any bonds issued hereunder in respect of said Section, less any sum or sums of money received by the said Company from its net earnings in respect of said Section, or as interest upon any proceeds of bonds issued in respect thereof.

Section 7. The expression "working expenditure" when used in respect of either Section of the Western Division of said railway for the purposes of this mortgage and of the securi-

ties issued and to be issued hereunder shall mean and include all expenses of maintenance of each of the said Sections, respectively, and of the stations, buildings, works and conveniences belonging thereto, and of the rolling and other stock and movable plant used in the working thereof, and all such tolls, rents or annual sums as are paid on account of property leased to or held by, the Pacific Company in respect of the said Section (apart from the rent of the Eastern Division or any other leased line), or in respect of the due proportion of the hire of rolling stock let to the Pacific Company as part of the equipment of the said Western Division; all rent, charges or interest on the purchase money of lands belonging to the Pacific Company purchased for the use of such Section but not paid for, or not fully paid for; all expenses of or incidental to working such Section and the traffic thereon, including all stores and supplies and all necessary repairs and supplies to rolling stock thereof while on such Section or elsewhere; all rates, taxes, insurance and compensation for accidents or losses payable in respect of such Section; also all salaries and wages of persons employed in and about the working of the said Section and the traffic thereon; the due proportion of such tolls, rent or other sums as may be payable for the use of rolling stock used upon such Section, of all office and management expenses, including directors' fees, agency, legal, medical and other like expenses, and of any sums of money contributed to any fund for the benefit of the employees of the Pacific Company; and all costs and expenses of and incidental to the compliance by the Pacific Company with any order of the Board of Railway Commissioners for Canada or of any Board or authority which may hereafter be duly constituted by the Parliament of Canada for the regulation of railways, and made in reference to such Section, and generally all such charges, if any, not above otherwise specified as in all cases of English railway companies are usually carried to the debit of revenue as distinguished from capital account.

Section 8. The expression "period of construction" in section 6 of this article shall mean the period of time which shall elapse until the Western Division shall be completed under the provisions of the Transcontinental Railway Acts or of any Act of Parliament extending the time for completion, and the date of such completion is to be fixed by the Government by Order in Council.

ARTICLE TWO.

PROPERTY GRANTED IN TRUST.

In order to secure the payment of the principal and interest of all the bonds at any time hereafter issued and outstanding under this indenture according to their tenor and effect, and the performance of all the covenants and conditions herein contained, and to declare the terms and conditions upon which such bonds are issued and received, the Pacific Company, in consideration of the premises and of the purchase and accept-

ance of such bonds by the holders thereof, and of the sum of one dollar to it duly paid by the Trustee at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has executed and delivered these presents, and has granted, bargained, sold, released, conveyed, assigned, transferred and set over and doth hereby grant, bargain, sell, release, convey, assign, transfer and set over unto the Trustee, its successors and assigns forever, All and Singular the railway, undertaking, equipment and property, tolls, rights and franchises of the Pacific Company, and all rights and franchises, equipment and property to be hereafter acquired by the Pacific Company save and except the rolling stock constituting the equipment of the Eastern Division of the National Transcontinental Railway, (but not including branch lines exceeding six miles in length forming part of the Pacific Company's railway, or the revenues therefrom, or the rights and franchises in connection therewith, or such additional rolling stock as may, with the assent of the Government, be designated and marked by the Pacific Company as constituting the equipment thereof and not including ships or any municipal or provincial grants of land, by way of bonus or subsidy, to the said Pacific Company, other than lands required for right of way, station grounds, terminals or other like railway purposes, and not including any cash subsidies or bonuses).

And all and singular the estates, leasehold or otherwise, rights, privileges and franchises belonging or appertaining to the said railway, undertaking, equipment and property, except as above provided, including (a) all terminals, wharfs, piers, docks and all other structures connected therewith and all telegraph and telephone lines; (b) all roadbeds, superstructures, rights of way, rails, tracks, sidetracks, sidings, extensions, bridges, viaducts, terminals, buildings, depots, stations, tanks and water appliances, warehouses, car-houses, engine-houses, freight-houses, coal-houses, wood-houses, machine-shops and other shops, turn-tables, water stations, fences, structures, erections and fixtures, and any and all other property real or personal of every kind or description now or hereafter to be provided or acquired by the Pacific Company or its successors; (c) all locomotives, engines, cars and other rolling stock, equipment (save as hereinbefore excepted in respect of the equipment of the Eastern Division), machinery, instruments, tools, implements, fuel, materials, furniture and other chattels of the Pacific Company now owned or hereafter held, acquired or provided by the Pacific Company, or its successors, including materials and supplies purchased or acquired for the purposes of construction, notwithstanding that the same may not have been actually delivered upon the work; (d) all the rents, issues, profits, tolls and other revenues receivable by the Pacific Company from the said property, or any portion thereof; and (e) all the rights, privileges, franchises, equipment and property which the Pacific Company now has, or which it or

its successors shall hereafter acquire, possess or become entitled to, appertaining to the construction, maintenance, use or operation of the said railway, or of the terminals thereof, or of other property hereby mortgaged; also including the leasehold interest in the Eastern Division of said railway; provided, however, that in respect of any leasehold or term of years included herein the interest of the Trustee therein shall be subject to the provisions of Section 7 of Article Nine hereof.

The foregoing description of the mortgaged premises is not intended to and shall not comprise or include any of the branch lines of the National Transcontinental Railway exceeding six miles in length which may be hereafter constructed and for the construction of which authority may have been or may hereafter be obtained under any special Act of Parliament, nor any branch of such branch lines whether the same shall or shall not exceed six miles in length, nor any of the classes or descriptions of property above described appertaining or belonging to the branch lines by this clause excepted, or any of them.

To have and to hold the mortgaged premises, unto the Trustee and to its successors and assigns, forever, in trust for the equal and proportionate benefit and security of all holders of the bonds and interest obligations to be issued hereunder, and secured by this indenture, and for the enforcement of the payment of said bonds and interest obligations when payable, and the performance of and compliance with the covenants and conditions of this indenture, without preference, priority or distinction of one bond over any other bond issued hereunder by reason of priority in the issue or negotiation thereof, or otherwise howsoever; except in so far as the holders of bonds of either of said series are entitled, under the provisions of this mortgage, to any preference, priority or distinction as against the holders of the bonds of the other series, subject, however, to any mortgages or deeds of trust executed to secure the said first mortgage bonds to be guaranteed by the Government as aforesaid, if and when issued, but otherwise free from encumbrances.

And it is hereby covenanted and declared that all the bonds, secured by these presents, are to be issued and certified and delivered, and that the mortgaged premises are to be held by the Trustee, subject to the further covenants, conditions, uses and trusts hereinafter set forth.

And it is covenanted between the parties hereto and for the benefit of the respective holders, from time to time, of bonds issued hereunder, as follows, namely:—

ARTICLE THREE.

ISSUE, REGISTRATION AND APPROPRIATION OF BONDS AND THEIR PROCEEDS.

Section 1. All bonds to be secured hereby shall be completely signed and executed by the Pacific Company and, the

guarantee of the Grand Trunk Company having being endorsed thereon, shall be delivered to the Trustee hereunder for certification, and the Trustee shall thereupon certify and deliver the same as hereinafter provided.

Section 2. The bonds to be issued under and secured by this indenture, together with the coupons appertaining thereto, shall be substantially of the tenor and purport above recited. In case the officers who shall have signed and sealed any of such bonds shall cease to be officers of the Pacific Company before the bonds so signed and sealed shall have been actually certified and delivered by the Trustee, such bonds may nevertheless be adopted and used by the Pacific Company, and, upon the written request of said Company, shall be issued, certified and delivered subject to the provisions hereof, as though the persons who signed and sealed such bonds had not ceased to be officers of the Pacific Company. The coupons to be attached to such bonds shall be authenticated by the engraved signature of the Treasurer of the Pacific Company, and said Company may adopt and use for that purpose the engraved signature of any person who shall have been such Treasurer, notwithstanding the fact that such person may have ceased to be such Treasurer at the time when such bonds shall be actually certified and delivered.

Section 3. The said statement to be stamped or engraved on said bonds shall be authenticated by the engraved signature of the President of the Pacific Company, and the said Company may adopt and use for that purpose the engraved signature of any person who shall have been such President, notwithstanding the fact that such person may have ceased to be such President at the time when such bonds shall be actually certified and delivered.

Section 4. The purchase price of the bonds of either of said series or of any of such bonds (hereinafter referred to as the "proceeds" of the said bonds respectively), shall be paid by the purchasers thereof from time to time to a Bank or Banking Company (hereinafter called "the Depositary") designated for that purpose by the Pacific Company, such designation, however, to be subject to the approval in writing of the Trustee which shall not be unreasonably withheld. The Depositary is to receive, hold and dispose of the said proceeds and any interest accruing thereon in accordance with and subject to the provisions of Section 5 of this Article, but shall not be authorized to act as such Depositary or to receive the said proceeds or any part thereof unless and until by an instrument in writing, duly executed, hereinafter referred to as the Deposit agreement, it shall have agreed with the Trustee and the Pacific Company to receive, hold and dispose of said proceeds as herein provided.

The same Bank or Banking Company may be designated to receive the proceeds of the bonds of both Series A and Series B; but in that event the proceeds of the bonds of one

series shall be kept separate and apart from those of the other series as is more particularly provided for in Section 5 of this Article.

Any bonds duly certified as aforesaid shall be delivered by the Trustee to the purchaser or purchasers thereof or on their order from time to time as directed by the Pacific Company, but only upon the receipt by the Trustee from the Depositary in respect of the proceeds of such bonds of a certificate in writing that it has received from such purchaser or purchasers an amount certified by the Pacific Company to be the purchase price of said bonds.

Section 5. The Depositary of the proceeds of the bonds of either of said series shall keep all such proceeds received by it as aforesaid to the credit of the Trustee and the Pacific Company jointly, and in case the same Bank or Banking Company shall be acting as Depositary in respect of the proceeds of bonds of both series, the proceeds of bonds of Series A (issued in respect of the Prairie Section) shall be kept separate and apart from the proceeds of bonds of Series B (issued in respect of the Mountain Section). The Depositary shall from time to time pay any such proceeds held by it and any interest accruing thereon from time to time to the Pacific Company upon the joint draft of the Trustee and the Pacific Company, signed by their duly authorized officers or agents, but only for the balance of the amounts to be stated as the actual cost of construction work or interest on bonds included as part of such cost in the certificates hereinafter provided for of the Chief Engineer or of the General Auditor or other chief accounting officer of the Pacific Company remaining after deducting therefrom the amount stated in such certificates, respectively, to have been paid or to be payable on account thereof out of the proceeds of first mortgage bonds, as provided in the mortgage securing the same; but the proceeds of bonds of Series A shall be so paid only in respect of construction work on the Prairie Section, for which payments shall be due and payable as herein before provided; and the proceeds of bonds of Series B shall be so paid only in respect of construction work on the Mountain Section for which payments shall be due and payable as hereinbefore provided. Such joint draft shall be accompanied by a certificate of the Chief Engineer of the Pacific Company (and the Depositary shall not make the payment until the same shall be furnished) stating the actual cost of the construction work on said Prairie Section or said Mountain Section on account of which such joint draft is made and the amount paid or payable on account thereof out of the proceeds of first mortgage bonds, as provided in the mortgage securing the same; that the price paid or agreed to be paid for such construction work is not in excess of the fair value thereof; and in each instance where any instalment shall theretofore have been paid out of the proceeds of said bonds, that the

same has been actually used or expended for the purpose or purposes for which the payment thereof was made.

Whenever any such joint draft as aforesaid shall include any sum paid or to be paid on account of interest on bonds included as part of the cost of construction work as hereinbefore defined, the Pacific Company shall in each instance furnish to the said Depositary (and the Depositary shall not make the payment until the same shall be furnished) a certificate or certificates of its General Auditor or other chief accounting officer stating (a) the amount necessary to be paid in respect of interest due or accruing due upon bonds; (b) the amount of interest credited in respect of proceeds of bonds in the hands of the Depositary and not theretofore applied towards payment of such bond interest; (c) the amount of net earnings not theretofore applied towards payment of such bond interest; (d) when payments have theretofore been made by the Depositary to enable such bond interest to be paid, that the same have been so applied. The production of any such certificate of the said Chief Engineer, General Auditor, or other chief accounting officer, shall be conclusive evidence to the Trustee and the Depositary of the facts stated therein.

Any proceeds remaining on deposit with the Depositary, and any interest payable on such proceeds, pending the complete construction of the Section in respect of which such bonds were issued shall, subject to payments therefrom on account of construction work, as hereinbefore provided, be held by the Depositary as security for the payment of the said bonds.

If, upon the complete construction and equipment of either Section of said Western Division to the satisfaction of the Government, and the payment of all sums payable on account of construction work in respect thereof, there shall remain on deposit with the Depositary any balance of the proceeds of the bonds issued in respect of the Section the construction of which shall be so completed, such balance and any interest payable thereon shall be applied on the order of the Pacific Company to the purchase of bonds of the same series; and upon receiving the bonds so purchased the Depositary shall deliver the same to the Trustee, who shall forthwith cancel and destroy the same and deliver to the Pacific Company an instrument in writing under its corporate seal stating the numbers and series of the said bonds, and certifying that they have been cancelled and destroyed.

Section 6. In case any Bank or Banking Company appointed as Depositary, shall decline to act, resign or otherwise become incapable of acting as such Depositary, a Bank or Banking Company shall be appointed by the Pacific Company by an instrument in writing as a successor to such Depositary, such appointment, however, to be subject to the approval in writing of the Trustee, which shall not be unreasonably withheld; and upon the acceptance of said appointment by the Bank or

Banking Company so appointed any funds, being the proceeds of bonds issued hereunder, with any accrued interest thereon remaining on deposit with the Depositary last acting shall be forthwith paid over to the new Depositary so appointed to succeed it; and the deposit agreement shall contain suitable provisions to that end.

The compensation and expenses of the Depositary shall be paid by the Pacific Company.

Section 7. The principal of said bonds issued in respect of the Prairie Section shall not exceed the sum of £2,100,000 sterling, and the principal of said bonds issued in respect of the Mountain Section shall not exceed the sum of £2,050,000 sterling, at any one time outstanding. The said bonds shall be payable on the first day of April, 1955, and shall be in denominations of £100 and £200, of which not more than £830,000 face value shall be in the denomination of £100 each and may be issued from time to time hereafter with the guarantee of the Grand Trunk Company endorsed thereon.

Section 8. Only such bonds as shall bear thereon endorsed the certificate of the Trustee, by it duly executed under the hand of its President, Vice-President or Manager, shall be secured by this indenture or shall be entitled to any lien or benefit thereunder; and every such certificate of the Trustee upon any bond executed on behalf of the Pacific Company shall be conclusive evidence that the bond so certified has been duly issued hereunder and is entitled to the benefits hereof. Before certifying or delivering any bond hereby secured, the Trustee shall cut off and cancel all coupons thereof then matured.

Section 9. The Pacific Company shall at all times keep at its head office in the City of Montreal, and at its office or agency in London, England, and at its office or agency in the City of New York, suitable and appropriate books for the registering of the holders of bonds to be issued hereunder; and every holder of one or more bonds hereby secured shall, subject to the provisions of Section 10 of this Article, be entitled, without charge, to have his name and address and the denomination and numbers of any of the said bonds held by him entered in such register, upon presenting at any one of the said offices a written statement of the said particulars, signed by himself, and producing the bonds; and every registration of the ownership of any bond shall be properly certified thereon. Upon the registration of any such bond the same shall cease to be transferable by delivery and shall become transferable only by the registered holder thereof in person, or by attorney duly authorized, on the books of the Pacific Company at its head office in the City of Montreal, or at its office or agency in London, England, or at its office or agency in the City of New York, as the case may be, upon production of said bond, and each transfer thereof shall be recorded by endorsement upon the said bond, unless the last preceding transfer shall have been to
215
bearer,

bearer, which shall restore the transferability of the bond by delivery : but no registration of a bond shall affect the negotiability by delivery of the coupons appertaining thereto.

Section 10. After the first registration of any such bond the same shall continue to be registered only in the office in which the first entry of registration has been made.

Section 11. Each of the said registers shall be open at all reasonable hours to the inspection of the Trustee, and of the Grand Trunk Company, or any agent or officer duly appointed on behalf of the said Trustee or of the Grand Trunk Company, and copies shall be furnished to the Trustee or to the Grand Trunk Company, upon request.

Section 12. The Pacific Company shall be entitled to make a reasonable charge, not exceeding one dollar, for each transfer of a registered bond.

Section 13. In case any bond issued hereunder, with the coupons thereto appertaining, shall become mutilated or be destroyed, the Pacific Company, in its discretion, may issue, and thereupon the Grand Trunk Company shall guarantee and the Trustee shall certify and deliver a new bond of like tenor and date, including coupons for unpaid interest thereon, bearing the same serial number, in exchange and substitution for, and upon cancellation of, the mutilated bond, and its coupons, or in lieu of, and substitution for, the bond and its coupons so destroyed, upon receipt of evidence satisfactory to the Pacific Company of the destruction of such bond and its coupons, and upon receipt also of indemnity satisfactory to the Pacific Company, and the Pacific Company may charge for the issue of such new bond an amount sufficient to reimburse it for the expense incurred in the issue thereof.

Section 14. Nothing in this Article, or any other Article of this indenture, expressed or implied, is intended, or shall be construed, to give to any person or corporation, other than the parties hereto and the holders of bonds issued under and secured by this indenture, any legal or equitable right, remedy or claim, under or in respect of this indenture, or under any covenant, condition or provision herein contained ; all its covenants, conditions and provisions being intended to be, and being, for the sole and exclusive benefit of the said parties and of the holders of the bonds hereby secured.

ARTICLE FOUR.

THE GUARANTEE OF THE GRAND TRUNK COMPANY.

Section 1. The Grand Trunk Company hereby agrees with the Pacific Company and the Trustee and each of them to guarantee payment of the principal and interest of the bonds to be issued under this mortgage, by endorsing upon each of said bonds its guarantee in writing in the form hereinbefore set forth, but the principal of said bonds shall not exceed the sums

hereinbefore limited in respect of the Prairie Section and the Mountain Section respectively at any one time outstanding.

Section 2. The guarantee of The Grand Trunk Company hereinbefore referred to shall constitute a liability of the said Company in priority to all the share capital of the said Company, whether guaranteed stock, preference stock, or ordinary stock.

Section 3. Notwithstanding anything herein contained, no liability shall attach to the Grand Trunk Company, as guarantor of bonds to be issued hereunder, except in respect of bonds upon which the Grand Trunk Company shall have endorsed its guarantee in writing as above provided.

Section 4. No extension, waiver or other modification, given or granted pursuant to the provisions in this mortgage contained, of the obligations of the Pacific Company under the provisions of said bonds by the Trustee, or by all or any of the bondholders, or by such bondholders and Trustee acting together, shall release or discharge the Grand Trunk Company from its obligation as guarantor of said bonds or upon its covenants herein contained.

ARTICLE FIVE.

COVENANTS OF THE PACIFIC COMPANY.

The Pacific Company covenants with the other parties hereto as follows :

Section 1. That it will in every respect in accordance with the provisions of the said Transcontinental Railway Acts lay out, construct and equip the said Western Division within the period prescribed by such Acts or any extension thereof duly authorized.

Section 2. That subject to the provisions of the Transcontinental Railway Acts it will duly and punctually pay or cause to be paid to the holder of any first mortgage bonds issued by the Pacific Company in respect of the Western Division and guaranteed by the Government, the principal and interest accruing thereon, at the dates and places and in the manner mentioned in such bonds, and will also duly observe all the obligations in relation thereto imposed on the Pacific Company by the Transcontinental Railway Acts, or by the said bonds, or by the mortgage or deed of trust or mortgages or deeds of trust to secure the same.

Section 3. That it will duly and punctually pay, or cause to be paid, to every holder of any bond issued and secured hereunder, the principal and interest accruing thereon, at the dates and place and in the manner mentioned in such bonds, or in the coupons thereto belonging, according to the true intent and meaning thereof, without deduction from either principal or interest for any tax or taxes which may hereafter be imposed,
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levied or assessed and which the Pacific Company may be required to pay or to retain therefrom under any present or future law of the Dominion of Canada or of any province, county, municipality or territory thereof, the Pacific Company hereby agreeing to pay all such tax or taxes.

Section 4. Whenever required by the Trustee, the Pacific Company shall grant, release, convey, confirm, assign, transfer and set over unto the Trustee the estate, right, title and interest of the Pacific Company in and to all the mortgaged premises, and also will do, suffer, execute, acknowledge and deliver, or will cause to be done, suffered, executed, acknowledged and delivered, all and every such further acts, deeds, conveyances, transfers and assurances for the better assuring, conveying and confirming unto the Trustee all and singular the said mortgaged premises, as the Trustee shall reasonably require for better accomplishing the objects and purposes of this indenture, and for securing payment of the principal and interest of the bonds intended to be hereby secured, subject, however, in all cases to the first mortgage of the Pacific Company made or to be made for the purpose of securing the issue of first mortgage bonds to be guaranteed by the Government, and especially will, if required by the Trustee, as soon as practicable, execute by way of further assurance a supplementary deed or deeds of mortgage, containing if necessary a more definite description of the property intended to be covered by this Mortgage or Deed of Trust.

Section 5. The Pacific Company shall be primarily liable to pay the interest as well as the principal upon all of the said bonds, but, if default shall be made by the Pacific Company in the payment thereof, or any part thereof, the Grand Trunk Company shall pay the same and shall take up the coupons representing such interest; and any moneys so paid by the Grand Trunk Company under its guarantee, whether for principal or interest of the said bonds, shall be held to have been paid in discharge of the liability of the Grand Trunk Company, but not in discharge of the liability of the Pacific Company with respect to the said bonds, and any money so paid by the Grand Trunk Company shall continue to be a charge under this mortgage, and the Grand Trunk Company shall be subrogated to all the rights of the holders of the said bonds, the interest upon or the principal of which shall have been paid by the Grand Trunk Company, and shall, in respect of such bonds, be, in all respects, in the position of holders of bonds in respect of which default has been made, and may exercise all the rights of such holders under this mortgage so long as it shall continue to pay, according to the tenor and effect thereof, the interest upon bonds of which the principal is not due, and so long as there shall not be any other default of the Pacific Company upon such bonds or in the performance of any of the covenants contained herein with respect to such holders of bonds continuing beyond any period of grace provided for in these presents.

Section 6. Notwithstanding anything herein contained, this mortgage is subject, in the first instance, to the payment of any penalty which may now or hereafter be imposed upon the Pacific Company for non-compliance in respect of the Western Division with the requirements of "The Railway Act, 1903," and to the payment of the working expenditure, as hereinbefore defined, of the said two Sections of the Western Division of the railway respectively.

Section 7. The Pacific Company shall acquire adequate terminals and terminal facilities for the proper operation of the Western Division and shall operate the Western Division and keep the same and all rolling stock, plant, machinery, works, fixtures, fittings, implements, utensils and other effects upon the same covered by this mortgage and every part thereof, in a good state of repair and in proper working order and condition, and shall, from time to time, provide such substituted or additional rolling stock, plant, machinery, works, fixtures, fittings, implements, utensils and other effects as may be required for the proper and efficient operation of the Western Division, and all such substituted or additional rolling stock, plant, machinery, works, fixtures, fittings, implements, utensils and other effects shall be subject in all respects to the trusts of this indenture; and the Pacific Company covenants and agrees that it will duly execute and deliver to the Trustee any and all instruments necessary or proper to subject such substituted or additional property to the lien of these presents.

Section 8. The Pacific Company covenants and agrees that it has not created or suffered to be created, and that it will not create or voluntarily suffer to be created, any lien or charge having priority to or preference over or ranking *pari passu* with the lien or charge of these presents upon the mortgaged premises, or any part thereof, or upon the income thereof, save and except the said first mortgage made or to be made for the purpose of securing the first mortgage bonds of the Pacific Company as authorized by paragraph 35a of the said Agreement of July 29th, 1903, and any mortgage which may be given and made for the purpose of securing any interim bonds which may or shall be issued during construction and guaranteed by the Government of Canada pursuant to the provisions contained in paragraph 36 of the said Agreement, and that, if any lien or charge shall hereafter arise or be created or take effect upon the mortgaged premises or any part thereof contrary to the terms of this covenant, the Pacific Company will, within three months after the same shall have accrued, pay or cause to be paid and discharged, or will make adequate provision for the satisfaction and discharge of every such lien or charge, and that it will punctually pay and discharge all lawful claims and demands of materialmen, mechanics, labourers and others, which, if unpaid, might operate as a lien or charge upon the premises hereby mortgaged, or any part thereof, or the income thereof.

Provided, however, that nothing in this indenture contained shall be construed so as to prevent the Pacific Company from acquiring on credit rolling stock subject to agreement that the property therein is not to pass until payment therefor is made in full, which agreement shall, according to the terms thereof, be valid, but the Pacific Company covenants and agrees that it will, itself, punctually pay all claims and demands upon such rolling stock, according to the terms of any such agreement.

Section 9. The Pacific Company further covenants that it will from time to time pay and discharge all rates, taxes, levies, charges and assessments whatsoever lawfully imposed upon the mortgaged premises, or upon any part thereof, or upon the income and profits thereof, the lien of which would be prior to the lien hereof, so that the priority of this indenture shall be fully preserved in respect of such premises.

Section 10. The Pacific Company further covenants and agrees that there shall not be issued hereunder and at any one time outstanding bonds in excess of the amount authorized by the said Acts hereinbefore recited or by any Act authorizing or confirming this mortgage, and that it will not issue, negotiate, sell or dispose of any bonds hereby secured, in any manner other than in accordance with the provisions of this indenture.

ARTICLE SIX.

POSSESSION UNTIL DEFAULT AND RELEASE.

Section 1. Until default shall have been made in the due and punctual payment of the interest or of the principal of the bonds hereby secured, or of some part of such interest or principal or in the due and punctual performance and observance of some covenant or condition hereof obligatory upon the Pacific Company, and until such default shall have continued beyond the period of grace, if any, herein provided in respect thereof, the Pacific Company, its successors and assigns, shall be suffered and permitted to retain actual possession of all the mortgaged premises, and to manage, operate and use the same and every part thereof, with the rights and franchises appertaining thereto, and to collect, receive, take, use and enjoy the tolls, earnings, income, rents, issues and profits thereof.

Section 2. If, when the bonds hereby secured shall have become due and payable, the Pacific Company shall well and truly pay, or shall cause to be paid, the whole amount of the principal and interest due upon all of the said bonds then outstanding, and the coupons for interest thereon, or shall provide for such payment by depositing with the Trustee hereunder for the payment of such bonds and coupons the entire amount due thereon for principal and interest, then and in that case all the mortgaged premises shall revert to the Pacific Company, and the estate, right,

title and interest of the Trustee shall thereupon cease, determine and become void, and the Trustee on demand of the Pacific Company and at its cost and expense, shall execute a release and discharge of this mortgage and shall deliver to the Pacific Company, its successors and assigns, all the mortgaged premises and all securities, moneys, books, documents and other chattels and things held by it as Trustee hereunder.

ARTICLE SEVEN.

RELEASES OF MORTGAGED PROPERTY.

Section 1. Upon the written request of the Pacific Company, approved by resolution of its Board of Directors (or Executive Committee), the Trustee from time to time while the Pacific Company is in possession of the mortgaged premises, but subject to the conditions and limitations in this Article prescribed and not otherwise, shall release from the lien and operation of this indenture any part of the mortgaged premises then subject thereto, provided (1) that no part of the line of railway or of the right of way of the Western Division shall be released unless the same shall no longer be of use in the operation of any part of the mortgaged premises, and no part of such line of railway or of the right of way shall be so released if thereby the continuity of the railway between the several termini above mentioned shall be broken; and (2) that no part of the mortgaged premises shall be released hereunder, unless at the time of such release it shall no longer be necessary or expedient to retain the same for the operation, maintenance, or use, of such railway, or for use in the business of the Pacific Company.

Section 2. No such release shall be made under this Article unless the Pacific Company shall have sold, or shall have contracted to exchange for other property or to sell the property so to be released, and the proceeds of any and all such sales shall be set apart and held in trust, and applied, with the consent or approval of the Trustee, to the purchase of other property, real or personal, or in betterments of or additions to the equipment or to the rolling stock, or otherwise in the improvement of some part of the mortgaged premises.

Section 3. Any new or additional property acquired by the Pacific Company in the place of any property released under this Article shall immediately become and be subject to the lien of this indenture as fully as the property specially described herein, and, if requested by the Trustee, the Pacific Company will convey the same to the Trustee, by appropriate deed or deeds upon the trusts and for the purposes of this indenture.

Section 4. The Pacific Company, while in possession of the mortgaged premises, shall also have full power, in its discretion from time to time, to dispose of any portion of the machinery, implements, tools, plant and equipment at any time held subject to the lien hereof, which may have become unfit for use, replacing

placing the same by new machinery, tools, plant and equipment, which shall forthwith become subject to the lien of this indenture.

Section 5. The purchaser or purchasers of any property sold or disposed of under any provision of this Article shall not be required to see to the application of the purchase money or be responsible for the misapplication or non-application thereof.

Section 6. In case the mortgaged premises shall be in the possession of a receiver lawfully appointed under the provisions hereof, the powers in and by this Article conferred upon the Pacific Company may be exercised by such receiver with the approval of the Trustee ; and, if the Trustee shall be in possession of the mortgaged premises under the provisions hereof, then all such powers may be exercised by the Trustee in its discretion.

ARTICLE EIGHT.

REMEDIES OF TRUSTEE AND BONDHOLDERS.

Section 1. In case the Pacific Company shall make default in the payment of any interest on any bond or bonds hereby secured, or in the performance of any of the covenants of the Pacific Company contained in Section 8 of Article Five hereof, and any such default shall have continued for a period of six months, then and in every case of such continuing default, upon receiving from the chairman of a meeting of the bondholders a certified copy of an extraordinary resolution, as hereinafter defined, making a request for such action by the Trustee, the Trustee, by notice in writing delivered to the Pacific Company, shall declare the principal of all bonds hereby secured then outstanding to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this indenture or in said bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of said bonds shall have been so declared due and payable, all arrears of interest upon all such bonds, with interest at the rate of four per centum per annum on overdue instalments of interest, and the expenses of the Trustee, shall either be paid by the Pacific Company, or be collected out of the mortgaged premises before any sale thereof shall have been made, then and in every such case, such default and its consequences may be waived by the Trustee, with the consent of the bondholders, expressed by an ordinary resolution as hereinafter defined ; but no such waiver shall extend to or affect any subsequent default, or impair any right consequent thereon.

Section 2. (a) In case the Pacific Company shall make default in the payment of any interest on any bond or bonds secured by this indenture, or in the performance of any of the

covenants of the Pacific Company contained in Section 8 of Article Five of this indenture, and any such default shall have continued for a period of six months :

(b) or in case the Pacific Company shall make default in the due and punctual payment of the principal of any bond hereby secured :

(c) or in case the Pacific Company shall make default in the due observance or performance of any other covenant or condition herein required to be observed, kept or performed by the Pacific Company, and any such default under this clause (c) hereof shall have continued for a period of six months after written notice thereof from the Trustee :

Then, and in each and every such case, the Trustee by its officers, agents or attorneys, may [but if under clause (a) or (b), only with the consent of The Grand Trunk Company in case such Company shall have paid under its said guarantee of said bonds all interest and principal due thereunder] exercise each and every of the remedies, trusts and powers following :

A. It may enter into and upon all or any part of the mortgaged premises, and may exclude the Pacific Company, its agents and servants, wholly therefrom, and, having and holding the same, may use, operate, manage and control the said mortgaged premises, and conduct the business thereof by its superintendents, managers, receivers, agents and servants or attorneys, to the best advantage of the holders of the bonds hereby secured ; and upon every such entry the Trustee, subject to the payment of the working expenditure as hereinbefore defined, of the two sections of said Western Division shall have the right to manage the mortgaged premises, and to carry on the business and exercise all the rights and powers of the Pacific Company in relation thereto either in the name of the Pacific Company or otherwise, as the Trustee shall deem best ; and the Trustee shall be entitled to collect and to receive all tolls, earnings, income, rents, issues and profits of the same, and every part thereof, and shall keep separate accounts of all such tolls, earnings, income, rents, issues and profits received by it in respect (1) of the Prairie Section, (2) of the Mountain Section, and (3) of all the residue of the mortgaged premises, respectively ; and after payment of the said working expenditure as hereinbefore defined of the two sections of said Western Division (the said working expenditure of the Prairie Section to be paid from the receipts from said Prairie Section and the said working expenditure of the Mountain Section to be paid from the receipts from said Mountain Section) and any other proper prior charges upon the said mortgaged premises or any part thereof, as well as just and reasonable compensation for its own services and for the services of all agents, clerks, servants and other employees by it necessarily and properly engaged and employed, it shall apply the moneys arising as aforesaid as follows :

(1) In case the principal of the bonds hereby secured shall not have become due, to the payment of the interest in default, in the order of the maturity of the instalments of such interest, with interest thereon at the rate of four per centum per annum, such payments to be made ratably to the persons entitled thereto, without discrimination or preference, the moneys arising from the mortgaged premises, other than the Prairie Section and the Mountain Section, to be applied ratably to the payment of interest on all the bonds issued hereunder and the moneys arising from the Prairie Section to be applied first to the payment of the interest of the bonds of Series A, and the moneys arising from the Mountain Section to be applied first to the payment of the interest of the bonds of Series B, any surplus above the amount required to make such payment in respect of the interest of the bonds of either series to be applied to the payment of the interest of bonds of the other series so far as necessary ;

(2) In case the principal of the bonds hereby secured shall have become due, by declaration or otherwise, first, to the payment of the accrued interest (with interest on the overdue instalments thereof at the rate of four per centum per annum) in the order of the maturity of the instalments, and then to the payment of the principal of all bonds hereby secured, such payments to be made ratably to the persons entitled thereto, without any discrimination or preference, the moneys arising from the mortgaged premises, other than the Prairie Section and the Mountain Section, to be applied ratably to the payment of the interest and principal of all the bonds issued hereunder, and the moneys arising from the Prairie Section to be applied first to the payment of the interest and principal of the bonds of Series A, and the moneys arising from the Mountain Section to be applied first to the payment of the interest and principal of the bonds of Series B, any surplus above the amount required to make such payment in respect of the interest and principal of the bonds of either series to be applied to the payment of the interest and principal of bonds of the other series so far as necessary.

B. It may, with or without entry, by its officers, agents or attorneys, in its discretion, (a) sell to the highest and best bidder all and singular the mortgaged premises (subject to the trusts of the mortgage given to secure the said first mortgage bonds); and any such sale or sales shall be made at public auction in the city of Montreal, in the Dominion of Canada, or in such other place and at such time and upon such terms as the Trustee may fix and specify in the notice of sale to be given as herein provided; or (b) immediately upon the expiration of the six months in the two cases indicated, and immediately upon default in payment of principal in the other case, may proceed to protect and enforce its rights and the rights of the bondholders under this indenture, by a suit or suits at law or in equity, whether for the specific performance

performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the foreclosure of this indenture, or for the enforcement of such other appropriate legal or equitable remedy, as the Trustee, being advised by counsel learned in the law, shall deem most effectual to protect and enforce any of its rights or duties hereunder.

C. It may, with or without entry, in its discretion lease the whole or any part of the mortgaged premises for such term or terms as it may deem expedient.

Section 3. Any sum or sums received by the Trustee from any agent or manager appointed under the provisions of Section 7 of the said agreement of February 18, 1904, and any sum or sums received by him on account of net earnings in case of entry and possession of the mortgaged premises by the Trustee of the first mortgage or otherwise as provided therein, shall be received and applied by the Trustee in payment of the interest and principal due or which may become due on the bonds issued hereunder in the same manner as the moneys collected or received by the Trustee from the mortgaged premises upon entry by it thereon as provided in subdivision A of section 2 of this Article.

Section 4. In case the Trustee shall have proceeded to enforce any right under this indenture by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of a waiver, or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case, the Pacific Company and the Trustee shall severally and respectively be restored to their former position and rights hereunder in respect of the mortgaged premises and all the rights, remedies and powers of the Trustee shall continue as though no such proceedings had been taken.

Section 5. Upon receiving from the chairman of a meeting of the bondholders a certified copy of an ordinary resolution making a request therefor, it shall be the duty of the Trustee, upon being indemnified as hereinafter provided, to take all proper and necessary steps for the protection and enforcement of its rights and the rights of the holders of the bonds hereby secured, and to exercise the powers of entry or sale herein conferred, or both, or to take such appropriate proceedings by action, suit or otherwise, as the Trustee, being advised by counsel learned in the law, shall deem most expedient.

Section 6. Anything in this indenture contained to the contrary notwithstanding, the bondholders shall have the right from time to time, by extraordinary resolution, to direct and control the method and place of conducting any and all proceedings for any sale of the mortgaged premises, or the foreclosure of this indenture, or the appointment of a receiver, or any other proceeding hereunder.

Section 7. In the event of any sale, whether made under the power of sale hereby granted and conferred, or under or by virtue of judicial proceedings, the premises and the rights, franchises, interests and appurtenances and other real and personal property of every kind constituting and appurtenant to the Prairie Section as herein defined and subject to the lien and charge hereof, shall first be offered for sale; and the premises and the rights, franchises, interests and appurtenances and other real and personal property of every kind constituting and appurtenant to the Mountain Section as herein defined and subject to the lien and charge hereof, shall next be offered for sale; and all the residue of the mortgaged premises shall next be offered for sale. The said two Sections and the said residue of the mortgaged premises having been so offered for sale separately, and the highest bids having been obtained therefor respectively, the mortgaged premises, including both of said sections and said residue, shall immediately thereafter be offered for sale as one parcel and as an entirety. If the highest bid received and accepted for the said property so last offered for sale (the entire mortgaged premises) shall exceed the aggregate amount of the highest bids respectively made for the said Prairie and Mountain Sections and the said residue of said mortgaged premises, when offered separately, then the whole mortgaged premises so last offered shall be declared to be sold as an entirety to the person making such bid; and the proceeds shall be divided into three separate parts in proportion to the amounts bid separately on the said three portions of the mortgaged premises when offered separately, of which the amount so divided or set apart in respect of the said residue of said mortgaged premises shall be applied in payment of all the bonds of both series issued hereunder ratably in proportion to the amount unpaid thereon without preference to the holder of any bond of either series over the holder of any bond of the other series, and then so much of the amount so divided or set apart in respect of the Prairie Section as may be necessary shall be first applied in payment of bonds of Series A, and so much of the amount so divided or set apart in respect of the Mountain Section as may be necessary shall be first applied in payment of bonds of Series B, and any surplus remaining after the distribution of the amount due on either series of said bonds shall be applicable to the payment of the amount due on the other series of bonds in the manner more fully set forth in the second subdivision of Section 15 of this Article. In case the amount so offered for the whole of said mortgaged premises shall be less than the total of the highest amounts bid separately for the three portions thereof offered separately, then the said portions shall be declared to be sold to the persons respectively making the highest and best bids therefor, and the proceeds of the sale of the said residue of said mortgaged premises (aside from the Prairie Section and the Mountain Section) shall be applied

ratably in payment of all the bonds issued hereunder, the proceeds of the sale of the Prairie Section to be so applied in payment of bonds of Series A and the proceeds of the sale of the Mountain Section to be so applied in payment of the bonds of Series B, and any surplus remaining after the payment of the amount due on either series of said bonds shall be applicable to the payment of the amount due on the other series of bonds in the manner more fully set forth in the second subdivision of Section 15 of this Article.

Section 8. Notice of any such sale, pursuant to any provision of this indenture, shall state the time and place when and where the same is to be made, and shall contain a brief general description of the property to be sold and shall be sufficiently given if published once in each week for four consecutive weeks prior to such sale in *The Canada Gazette*, in a newspaper published in the city of Montreal, in a newspaper published in London, England, and in a newspaper published in the city of New York, respectively.

Section 9. The Trustee from time to time may adjourn any sale to be made by it under the provisions of this indenture by announcement at the time and place appointed for such sale, or for such adjourned sale, and without further notice or publication it may make such sale at the time and place to which the same shall be so adjourned.

Section 10. Upon the completion of any sale or sales under this indenture, the Trustee shall execute and deliver to the accepted purchaser or purchasers a good and sufficient deed, or good and sufficient deeds of conveyance of the property and franchises sold. The Trustee and its successors are hereby appointed the true and lawful attorney or attorneys, irrevocable, of the Pacific Company, in its name and stead to make all necessary deeds of conveyance of property thus sold, the Pacific Company hereby ratifying and confirming all that its said attorney or attorneys shall lawfully do by virtue hereof.

Section 11. Any such sale or sales made under or by virtue of this indenture, whether under the power of sale hereby granted and conferred, or under or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Pacific Company of, in and to the premises sold, and shall be a perpetual bar, both at law and in equity, against the Pacific Company, its successors and assigns, and against any and all persons claiming or to claim the premises sold, or any part thereof, from, through or under the Pacific Company, its successors or assigns, subject, however, to the first mortgage made or to be made by the Pacific Company to secure the bonds of the Pacific Company above referred to.

Section 12. The personal property and chattels conveyed, or intended to be conveyed, by or pursuant to this indenture, shall be deemed to be part of the realty for all the purposes of this indenture, and shall be held and taken to be fixtures of

that section of the Western Division to which they may be appurtenant, respectively, and are to be sold therewith, and not separate therefrom, except as herein otherwise provided.

Section 13. The receipt of the Trustee shall be a sufficient discharge to any purchaser of the property, or any part thereof sold as aforesaid, for the purchase money, and no such purchaser, or his agents, grantees or assigns, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this indenture, or shall in any manner whatsoever be answerable for any loss, misapplication or non-application of any purchase money, or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

Section 14. In case of such sale, whether under the power of sale hereby granted or pursuant to judicial proceedings, the principal of all the bonds hereby secured, if not previously due, shall immediately thereupon become and be due and payable, anything in said bonds or in this indenture contained to the contrary notwithstanding.

Section 15. The purchase money, proceeds and avails of any sale hereunder, whether under the power of sale hereby granted or pursuant to judicial proceedings, together with any other sums which may then be held by the Trustee under any of the provisions of this indenture, as part of the trust estate or of the proceeds thereof, shall be applied as follows :

First. In the payment of the costs and expenses of such sale, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all expenses, liabilities and advances necessarily made or incurred by the Trustee and of the "working expenditure" herein defined and in the payment of liens prior to the lien of these presents except any taxes, assessments or other superior liens to which such sale shall have been made subject.

Second. The remainder of such purchase money, proceeds and avails of sale shall be divided into three portions in respect of the Prairie Section and the Mountain Section and of the said residue of said mortgaged premises, severally in accordance with the provisions of Section 7 of this Article. The proceeds of the sale in respect of the said residue of said mortgaged premises shall be applied ratably, as in said Section 7 provided, in the payment of the whole amount then owing or unpaid upon all the bonds issued hereunder for principal and interest, with interest at the rate of four per centum per annum on the overdue instalments of interest. The proceeds of the sale of the Prairie Section and of the Mountain Section, respectively, shall then be applied in the payment of the whole amount then owing or unpaid upon the bonds of each such series respectively hereby secured for principal and interest, with interest at the rate of four per centum per annum on the overdue instalments of interest, and in case such proceeds distributable to the holders of either series of bonds shall be insufficient to pay in

full the whole amount so due and unpaid upon the bonds of such series, then in the payment of such principal and interest, without preference or priority of principal over interest, or of interest over principal, or of any instalment of interest over any other instalment of interest, ratably to the aggregate of such principal and of the accrued and unpaid interest; and any surplus remaining after payment in full of the principal and interest of the bonds of either series shall be applied, so far as may be necessary, to the payment of the principal and interest of the bonds of the other series.

Third. The surplus, if any, shall be paid to the Pacific Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

Section 16. In case of any sale hereunder, any bondholder who becomes a purchaser shall be entitled to tender in payment on account of such purchase any bonds hereby secured and any matured and unpaid coupons appertaining thereto, and shall be credited, on account of the purchase price of the property purchased, with the sum payable out of the net proceeds of such sale on the bonds and coupons so tendered or on the overdue coupons, as the case may be, and the amount so credited shall be endorsed thereon; provided, however, that in case there shall be a separate sale of said Prairie and Mountain Sections a purchaser shall be entitled to receive credit on bonds issued in respect only of the section purchased by him and the coupons appertaining to such bonds, or on overdue coupons, as the case may be.

Section 17. In case there shall be any judgment outstanding against the Pacific Company then presently enforceable, or in case in any judicial proceeding by any party other than the Government or the Trustee, a receiver shall be appointed in respect of the mortgaged premises or a judgment be entered or order made for the sequestration of any part of the mortgaged premises the Trustee shall thereupon be entitled forthwith to exercise the right of entry herein conferred, and also any and all other rights and powers herein conferred and provided to be exercised by the Trustee upon the occurrence and continuance of default as hereinbefore provided, and, as a matter of right, the Trustee shall thereupon be entitled to the appointment of a receiver and manager of the mortgaged premises, with such powers as the court making such appointment shall confer. Provided that the right of entry and other rights and powers to be exercised by the Trustee hereunder shall not arise under this section by reason or on account of the taking possession of the mortgaged premises by an agent or manager appointed by the Government pursuant to the provisions of the Scheduled Agreements.

Section 18. With the consent of the Trustee the Pacific Company may, at any time before the full payment of the principal and interest of the bonds hereby secured, and whenever it shall deem it expedient for the

better protection and security of such bonds, although there may then be no default entitling the Trustee to enter into possession, surrender and deliver to the Trustee full possession of the whole or any part of the mortgaged premises, for any period fixed or indefinite. Upon such surrender and delivery to the Trustee with its consent, the Trustee shall enter into and upon the premises so surrendered and delivered, and shall take and receive possession thereof, for such period, fixed or indefinite, as aforesaid, without prejudice, however, to its right at any time subsequently, when entitled thereto by any provision hereof, to insist upon and to maintain such possession though beyond the expiration of any prescribed period. Upon any such voluntary surrender and delivery of said mortgaged premises, or of any part thereof, the Trustee, from the time of its entry, shall work, maintain, use, manage, control and employ the same in accordance with the provisions of this indenture, and shall receive and apply the income and revenues thereof as provided in Section 2 of this Article.

Section 19. No holder of any bond or coupon hereby secured shall have any right to institute any action, suit or proceeding at law or in equity for the foreclosure or sale of the mortgaged premises, or for the execution of any trust of this indenture, or for the appointment of a receiver, or for any other remedy hereunder, unless such holder shall have previously given to the Trustee written notice of such default and of the continuance thereof as hereinbefore provided; nor unless, also, an extraordinary resolution shall have been passed at a meeting of the bondholders requesting the Trustee to proceed to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name, and after a copy of such resolution duly certified by the chairman of such meeting shall have been delivered to the Trustee, and it shall have had a reasonable opportunity thereafter to take such action; nor unless, also, there shall have been offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this indenture and to any action or cause of action for foreclosure or sale, or for the appointment of a receiver, or manager, or for any other remedy hereunder; it being understood and intended that no one or more holders of bonds and coupons shall have any right in any manner whatever to affect, disturb or prejudice the lien of this indenture by his or their action, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided, and for the benefit of all holders of such outstanding bonds.

Section 20. Except as herein expressly provided to the contrary, no remedy herein conferred upon, or reserved to the Trustee, or to the holders of bonds hereby secured, is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

Section 21. No delay or omission of the Trustee, or of any holder of bonds hereby secured, to exercise any right or power accruing upon any default continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given to the Trustee or to the bondholders may be exercised from time to time, and as often as may be deemed expedient by the Trustee or by the bondholders respectively.

ARTICLE NINE.

CONCERNING THE TRUSTEE.

Section 1. The Pacific Company shall pay all costs, charges and expenses necessarily and properly incurred by the Trustee in performing the trusts herein contained, including therein remuneration to the Trustee and remuneration, salary or fees necessarily and properly paid by the Trustee to any counsel, solicitors, attorneys, agents or other persons employed by it, and also (in addition to any right of indemnity by law given to the Trustee), shall, at all times keep indemnified the Trustee against all actions, proceedings, costs, claims and demands in respect of any matter or thing lawfully done or omitted in anywise relating to the trusts hereby created. The Trustee may retain and pay to itself out of any moneys in its hands, subject to the trusts hereof, the amount of such remuneration as for the time being may be due to it and of such costs, charges and expenses as aforesaid.

Section 2. All costs, charges and expenses incurred and payments made by the Trustee or by its agents, attorneys or servants in the lawful exercise of the powers hereby conferred, including all such remuneration, salary or fees as shall necessarily and properly be paid to any counsel, solicitor, attorney, agent or other persons employed by it shall be payable by the Pacific Company on demand, and all such costs, charges, expenses and payments and any interest thereon and all remuneration payable to the Trustee hereunder shall be a charge on the mortgaged premises.

Section 3. The Trustee shall not be bound to take any step to enforce the performance of any of the covenants on the part of the Pacific Company in these presents contained, unless, upon request in writing by the Grand Trunk Company or upon request of the bondholders evidenced by an extraor-

dinary resolution passed at a meeting of the bondholders and the delivery to the Trustee of a copy duly certified by the chairman of such meeting, and then only if it shall be indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable, and all costs, charges, damages and expenses which it may incur by so doing.

Section 4. The Trustee may, except as herein otherwise provided, from time to time and at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Pacific Company of any of the covenants in these presents contained, and no waiver or license by the Trustee of any breach of any covenant or condition of this indenture shall affect or impair the right of the Trustee to enforce such covenant or condition in case of any subsequent breach thereof.

Section 5. The Trustee shall not be liable for or by reason of any failure or defect of title to or any encumbrance upon the mortgaged premises, or for or by reason of the statements of fact or recitals in this mortgage or in the bonds contained, or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Pacific Company only.

Section 6. The Trustee shall not be responsible for any neglect or default on the part of any servant or agent appointed by it if selected with reasonable care, nor for any error or mistake made in good faith.

Section 7. It is hereby declared that the last three days of any term of years reserved by any lease, verbal or written, or any agreement therefor now held or hereafter acquired by the Pacific Company, and whether falling within a general or specific description of property hereunder, are hereby excepted out of the assignment or transfer of such lease or agreement hereby made, and do not and shall not form part of the mortgaged premises.

And it is hereby further declared and agreed that after any sale made under the powers herein contained of any leasehold interest forming part of the mortgaged premises, the Pacific Company shall stand possessed of the premises sold for the last three days of the term granted by the lease thereof or agreement therefor, in trust for the purchaser or purchasers, his or their executors, administrators and assigns, to be assigned and disposed of as he or they may direct.

Section 8. The Trustee or any Trustee hereafter appointed may resign and be discharged from the trusts created by this indenture by giving notice in writing of such resignation to the Pacific Company and the Grand Trunk Company and by publication of such notice at least once a week for four successive weeks in *The Canada Gazette* and in a newspaper published in the City of Montreal.

The Trustee may be removed at any time by an extraordinary resolution passed at a meeting of the bondholders

and the delivery to it of a copy of such resolution duly certified by the chairman of such meeting; but no such removal shall be made before default hereunder without the written consent of the Pacific Company and the Grand Trunk Company.

Section 9. In case the Trustee or any trustee hereafter appointed shall at any time resign or be removed, or otherwise become incapable of acting, a successor may be appointed by an extraordinary resolution passed at a meeting of the bondholders and the delivery to such successor of a copy of such resolution duly certified by the chairman of such meeting: Provided, nevertheless, that in case there shall at any time be a vacancy in the office of trustee hereunder, the Pacific Company and the Grand Trunk Company may by an instrument executed by order of their respective Boards of Directors appoint a trustee to fill such vacancy until a new trustee shall be appointed by the bondholders, as herein authorized. The Pacific Company shall thereupon publish notice of the appointment of such trustee by the said companies once a week for four successive weeks in *The Canada Gazette* and in a newspaper published in London, England. Any new trustee so appointed by the Pacific Company and the Grand Trunk Company shall immediately and without further act be superseded by a trustee appointed as aforesaid by an extraordinary resolution; provided that such appointment be made by the bondholders within six months after the last publication of such last mentioned notice; otherwise the trustee so appointed by the Pacific Company and the Grand Trunk Company shall continue to act hereunder.

Any such new trustee appointed hereunder shall execute, acknowledge and deliver to the trustee last in office, and also to the Pacific Company, an instrument accepting such appointment hereunder, and thereupon such new trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts, duties and obligations of the trustee under this indenture with like effect as if originally named as trustee herein, but the trustee ceasing to act shall, nevertheless, on the written request of the new trustee, execute and deliver an instrument transferring to such new trustee, upon the trusts herein expressed, all its interest in the estates, properties, rights, powers and trusts of the trustee so resigning or removed and, upon the request of any such new trustee, the Pacific Company and the Grand Trunk Company shall make, execute, acknowledge and deliver any and all deeds, conveyances or instruments in writing for more fully and certainly vesting in and confirming to such new trustee all such estates, properties, rights, powers and trusts.

Upon every such appointment of a new trustee hereof, as aforesaid, the trust property shall, if and so far as the nature of the property and other circumstances shall require or admit, be deemed to be transferred so that the same shall with-

out further or other conveyance or assignment be vested in the Trustee hereof for the time being.

ARTICLE TEN.

CONCERNING MEETINGS OF BONDHOLDERS.

Section 1. Meetings of bondholders may be held as hereinafter provided, but, so long as the Grand Trunk Company shall continue to pay, according to the tenor and effect of this indenture, the interest upon bonds of which the principal is not due, and so long as there shall not be any other default of the Pacific Company upon such bonds or in the performance of any of the covenants contained herein with respect to such holders of bonds, continuing beyond any period of grace provided for by this indenture, no meeting of bondholders shall be held without the consent of the Grand Trunk Company, expressed by an instrument in writing, and neither the Pacific Company nor the Trustee shall convene such meeting until such consent shall have been first obtained.

In the following sections of this Article, wherever the word "bondholder" or "bondholders" is used it shall be deemed to mean and include the Grand Trunk Company, in every case where, under the provisions of this Mortgage, the Grand Trunk Company shall be entitled to represent and exercise the rights of holders of bonds of which as guarantor it shall have paid the interest, in which case the Grand Trunk Company shall establish its right of voting by the certificate of the Trustee or of any Bank or Trust Company approved by the Trustee stating that the Grand Trunk Company is the holder of the coupons representing an instalment, or instalments, of overdue interest in respect of the bonds, describing them by their numbers respectively.

Section 2. Subject to the provisions of Section 1 of this Article the Trustee or the Pacific Company may respectively, and the Trustee shall, at the request in writing of persons holding not less than one-fourth of the amount of the bonds at the time outstanding, at any time convene a meeting of the bondholders. Such meeting shall be held at such place in the city of Montreal, in London, England, or in the city of New York, as the Trustee shall determine.

Section 3. Notice of any meeting specifying the place, day and hour of meeting and the general nature of the business to be transacted, shall be given to the bondholders by publication once a week for four successive weeks in *The Canada Gazette* and in a newspaper published in London, England, in a newspaper published in the city of New York and in a newspaper published in the city of Montreal. It shall not be necessary to specify in any such notice the terms of the resolutions to be proposed. A copy of such notice shall also be sent by post to the Trustee (unless the meeting shall be

convened by it) at least two weeks before the day appointed for holding the meeting.

Section 4. At any such meeting, persons holding or representing by proxy one-fourth of the amount of the bonds for the time being outstanding, shall form a quorum for the transaction of business other than business requiring the sanction of an extraordinary resolution as hereinafter provided. If within half an hour from the time appointed for any meeting of the bondholders a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same hour and place, and if at such adjourned meeting a quorum is not present, the meeting shall be dissolved.

Section 5. Some person nominated in writing by the Trustee shall be entitled to take the chair at every such meeting, and, if no such person is nominated, or if, at any meeting, the person nominated shall not be present within fifteen minutes after the time appointed for holding the meeting the bondholders present shall choose one of their number to be Chairman.

Section 6. Every question submitted to a meeting of the bondholders shall be decided, in the first instance, by a show of hands, and in case of an equality of votes, the Chairman shall, both on a show of hands and at the poll, have a casting vote, in addition to the vote or votes (if any) to which he may be entitled as a bondholder.

Section 7. At any such meeting of bondholders, unless a poll is demanded in writing by one or more of the bondholders holding, or representing by proxy one-twentieth of the amount of the bonds for the time being outstanding, a declaration by the Chairman that a resolution has been carried, or carried by any particular majority, or lost, shall be conclusive evidence of the fact.

Section 8. If, at any meeting, a poll is demanded as aforesaid, it shall be taken in such manner, and either at once or after an adjournment, as the Chairman directs, and the result of such poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

Section 9. The Chairman may, with the consent of any such meeting, adjourn the same from time to time.

Section 10. No poll shall be demanded on the election of a chairman, or on any question of adjournment.

Section 11. At any such meeting each bondholder shall be entitled upon a poll, to one vote in respect of every principal sum of £100 sterling, secured by the bonds registered in his name in the books of the Pacific Company, or of which he is the bearer, and no person shall be entitled to vote or shall be recognized as the legal holder of bonds, except

(1) registered holders of bonds or persons appointed as their proxies respectively, as hereinafter provided ;

(2) bearers of bonds not registered ;

(3) persons holding a certificate under the hand of the Trustee or of any Bank or Trust Company approved by the Trustee, stating that the holder of the certificate is entitled to the bonds described therein by their numbers respectively ;

(4) persons representing the Grand Trunk Company and holding its proxy in the cases provided for by Section 1 of this article.

Section 12. The instrument appointing a proxy shall be in writing under the hand of the appointor, or, if such appointor is a corporation, under the common seal or under the hand of some officer duly authorized in that behalf, and any such instrument may be in the form following :—

THE GRAND TRUNK PACIFIC RAILWAY COMPANY.

I,
of
in the County of
being a holder of Four Per Cent Mortgage Sterling Bonds,
due 1955, of the above Company, guaranteed by the Grand
Trunk Railway Company of Canada, hereby appoint

as my proxy, to vote for me and on my behalf at the meeting
of the said bondholders, to be held on the
day of and at any adjournment thereof.

Dated this day of
(Signed)

Section 13. Except where under the provisions of Section 1 of this Article a proxy is appointed on behalf of the Grand Trunk Company, no person or corporation other than the Trustee shall be appointed as a proxy who is not a bondholder or a director of a corporation which is a bondholder.

Section 14. The instrument appointing a proxy shall be deposited at such place as the Trustee or the Pacific Company may in the notice convening the meeting direct, or in case there is no such place appointed then at the head office of the Pacific Company in the city of Montreal, or at the office of the Pacific Company in London, England, or at the office of the Pacific Company in the city of New York, according as the meeting is convened to be held in Montreal, or London, or New York, respectively, not less than forty-eight hours before the time for holding the meeting at which the person named in such instrument proposes to vote, but no instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution, and no proxy shall be used at any adjourned meeting which could not have been used at the original meeting.

Section 15. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal, or revocation of the proxy, or transfer of the bonds in respect of which the

vote is given, unless notice, in writing, of such death, insanity, revocation or transfer shall have been received at the office of the Pacific Company at the place where the meeting is appointed to be held, at least forty-eight hours before the time appointed for holding the meeting.

Section 16. Where there are joint registered holders of any bond or bonds, any one of such persons may vote at any such meeting either personally or by proxy in respect of such bond or bonds, as if he were solely entitled thereto, but, if more than one of such joint holders be present at any meeting personally or by proxy, that one of such persons so present whose name stands first on the register in respect of such bond or bonds shall alone be entitled to vote in respect thereof.

Section 17. A meeting of the bondholders shall, in addition to the powers in these presents hereinbefore specifically given, have the following powers, exercisable by extraordinary resolution as hereinafter defined, namely :

(1) Power to sanction the surrender or release of any of the mortgaged premises.

(2) Power to sanction any modification or compromise of the rights of the bondholders against the Pacific Company or the Grand Trunk Company or against the property of either, whether such rights shall arise under these presents or otherwise.

(3) Power to assent to any modification of the provisions contained in these presents which shall be proposed by the Pacific Company and assented to by the Grand Trunk Company and the Trustee.

Section 18. The expression "extraordinary resolution," when used in these presents, means a resolution passed by a majority consisting of holders of not less than three-fourths in value of the bonds held by those present in person or by proxy and entitled to vote, at a meeting of the bondholders duly convened and held in accordance with the provisions herein contained, at which there shall be present in person or by proxy holders of not less than two-thirds in value of the bonds for the time being outstanding.

The expression "ordinary resolution" when used in these presents means any other resolution duly passed at a meeting of bondholders duly convened and held in accordance with the provisions herein contained.

ARTICLE ELEVEN.

ACCEPTANCE OF TRUST, EXECUTION AND DEPOSIT OF MORTGAGE.

Section 1. The National Trust Company, Limited, party hereto of the second part, hereby accepts the trusts in this indenture declared and provided, as herein set forth.

Section 2. This indenture may be executed in five counterparts, each of which so executed shall be deemed to be an original,

original, and such counterparts shall together constitute one and the same instrument.

Section 3. This indenture when executed shall be deposited by the Pacific Company in the office of the Secretary of State for the Dominion of Canada and notice thereof shall be given by the Pacific Company in *The Canada Gazette* immediately after such deposit, and this indenture is not required to be registered elsewhere or in any other manner.

In witness whereof the parties hereto of the first, second and third parts have duly caused these presents to be executed and their respective corporate seals to be hereunto affixed the day and year first above written.

THE GRAND TRUNK PACIFIC RAILWAY COMPANY,

by

CHAS. M. HAYS,
President.

HENRY PHILIPS,
Secretary.



NATIONAL TRUST COMPANY, LIMITED,

by

Z. A. LASH,
Vice-President.

W. E. RUNDLE,
Secretary.



THE GRAND TRUNK RAILWAY COMPANY OF CANADA,

by

CHAS. M. HAYS,

Second Vice-President and General Manager.



SCHEDULE C.

LAKE SUPERIOR BRANCH.

This Indenture made the 15th day of March, 1905, between :

The Grand Trunk Pacific Railway Company, a company duly incorporated by the Parliament of Canada (hereinafter called the "Pacific Company"), of the first part ;

National Trust Company Limited, a company duly incorporated under the laws of the Province of Ontario, in the Dominion of Canada (hereinafter called the "Trustee") of the second part, and

The Grand Trunk Railway Company of Canada, a company duly incorporated by the Legislature of the late Province of Canada, and now under the legislative jurisdiction of the Parliament of Canada (hereinafter called the "Grand Trunk Company") of the third part.

Whereas the Pacific Company was incorporated by an Act of the Parliament of Canada, chapter 122 of the statutes of 1903, with authority, among other things, to construct and operate a line of railway from a point at or near the city of Moncton in the Province of New Brunswick, through the central portion of the said Province and through the Province of Quebec to a point at or near the city of Quebec, thence in a north-westerly and westerly direction to a point on the boundary line between the Provinces of Quebec and Ontario within fifty miles of Lake Abitibi; thence in a north-westerly and westerly direction passing to the north of Lake Nepigon, in the Province of Ontario, to a point at or near the city of Winnipeg; thence westerly and north-westerly through a pass in the Rocky Mountains to Port Simpson or Bute Inlet, or to such other port on the Pacific Coast between the said points as may be considered more accessible and better adapted for the purposes of the Company: and also branch lines, including among others, a branch line from the main line south-easterly to Port Arthur, Fort William or any other Canadian port on Lake Superior approved by the Governor in Council;

And whereas by said chapter 122 of the statutes of 1903, it is further provided that if the Government of Canada should undertake the construction of a line of railway from the city of Winnipeg to the city of Moncton, and if the Pacific Company should not exercise the powers conferred upon it in respect of the construction of that portion of its line of railway between the said points, the Pacific Company should nevertheless have power to build branch lines from points on the line of railway so to be constructed by the Government, and among others the said branch line from the said main line so to be constructed to a point at or near Port Arthur, Fort William or some other Canadian port on Lake Superior approved by the Governor in Council and that all the powers by said Act conferred upon the Pacific Company with respect to branch lines authorized to be constructed from its main line of railway to the said points respectively or any of them, should fully and in all respects apply to branch lines constructed to such points from the said line of railway to be constructed by the Government;

And whereas the Government has undertaken the construction of the said line of railway from the city of Winnipeg to the city of Moncton, designated as the Eastern Division of the National Transcontinental Railway, and the Pacific Company has determined to construct the said branch line from a point on the said main line about 230 miles east of Winnipeg to Port Arthur, Fort William, or some other Canadian port on Lake Superior, approved by the Governor in Council, the said

branch line being hereinafter referred to as the Lake Superior Branch.

And whereas for the purpose of constructing the said branch line, the Pacific Company is authorized to issue bonds, debentures, or other securities upon the said branch line to the extent and to the amount hereinafter mentioned.

And whereas the Pacific Company has made and entered into a contract for the construction of the said Lake Superior Branch ;

And whereas the length of the said Lake Superior Branch will be not less than 220 miles ;

And whereas the said Pacific Company, under the powers conferred by the said several Acts hereinbefore recited, and every other power in any wise vested in it, has determined to create and issue bonds to be called Lake Superior Branch Four Per Cent First Mortgage Sterling Bonds, due 1955, for an amount of principal which shall not exceed £1,550,000, and which shall bear interest at the rate of four per centum per annum, payable semi-annually, to be secured by this mortgage upon the railway, undertaking, equipment and property, tolls, rights and franchises of the said Lake Superior Branch as hereinafter described, with their appurtenances, and to be guaranteed as to principal and interest by the Grand Trunk Company pursuant to the terms of this mortgage ;

And whereas the Grand Trunk Company, in pursuance of a resolution of the board of directors duly passed at a meeting held on the 25th day of November, 1904, and subsequently confirmed at a meeting of shareholders held on the 21st day of December, 1904, has agreed to guarantee the principal and interest of an issue not exceeding £1,550,000 of the said Lake Superior Branch Four Per Cent First Mortgage Sterling Bonds, due 1955 ;

And whereas, the form of the bonds, of the coupons to be attached thereto, of the certificate to be signed by the Trustee, and of the guarantee to be signed by the Grand Trunk Company are to be substantially as follows :

[FORM OF BOND.]

No.....

£.....

THE GRAND TRUNK PACIFIC RAILWAY COMPANY.

Incorporated by Act of the Parliament of Canada, Cap. 122,
Statutes of 1903.

LAKE SUPERIOR BRANCH FOUR PER CENT FIRST MORTGAGE
STERLING BOND, DUE 1955.

*Unconditionally Guaranteed by the Grand Trunk Railway
Company of Canada.*

This bond is one of an issue of bonds of the Grand Trunk
Pacific Railway Company known as its Lake Superior Branch

Four Per Cent First Mortgage Sterling Bonds, due 1955, issued and to be issued, for an aggregate principal amount not exceeding one million five hundred and fifty thousand pounds sterling at any one time outstanding. Said bonds are in denominations of £100 and £200 (of which not more than £310,000 shall be in the denomination of £100 each), bearing interest at the rate of four per cent per annum, all of the bonds ranking *pari passu*. The said bonds are authorized under Acts of the Parliament of the Dominion of Canada, being Cap. 122, Statutes of 1903, and Cap. 80, Statutes of 1904, and by resolutions of the Board of Directors of the Grand Trunk Pacific Railway Company, duly passed on the 11th day of March, 1905, which resolutions were duly ratified and confirmed at a meeting of the shareholders of the said Company on the 11th day of March, 1905.

Know all men by these presents, that the Grand Trunk Pacific Railway Company, a corporation hereinafter called the Pacific Company, for value received, promises to pay to the bearer, or, if registered, to the registered holder, of this bond, on the first day of April, 1955, at its office or agency in London, England, hundred pounds sterling, and to pay interest thereon (but only upon presentation and surrender, as they severally mature, of the coupons therefor annexed hereto), at the rate of four per centum per annum from the first day of April, 1905, semi-annually on the first day of April and the first day of October in each year, at said office or agency, the first of said payments to become payable on the first day of October, 1905.

Both the principal and interest of this bond are payable without deduction for any tax or taxes which the Pacific Company may be required to pay or to retain therefrom under any present or future law of the Dominion of Canada, or of any province, county, municipality or territory thereof, the Pacific Company hereby agreeing to pay all such tax or taxes.

This bond is one of an issue of bonds of the Pacific Company known as its Lake Superior Branch Four Per Cent First Mortgage Sterling Bonds, due 1955, issued and to be issued for an aggregate principal amount not exceeding one million five hundred and fifty thousand pounds sterling at any one time outstanding, under and in pursuance of, and all secured by, a mortgage or deed of trust dated the 15th day of March, 1905, executed by the Pacific Company to the National Trust Company, Limited, as Trustee, of the property and franchises of the Pacific Company, now owned or hereafter to be acquired, appertaining to the said Lake Superior Branch conveyed in trust by said mortgage or deed of trust, to which reference is hereby made for a statement of the property and franchises mortgaged, the nature and extent of the security, the rights of the holders of said bonds under the same, and

the terms and conditions upon which said bonds are to be issued and secured.

This bond may, at the holder's option, be registered as to the principal thereof on the books of the Pacific Company at its head office in the city of Montreal, or at its office or agency in London, England, or at its office or agency in the city of New York and be made payable, as to the principal thereof, only to the registered holder named therein, but such registration shall not affect the negotiability of the coupons by delivery. After such registration, certified hereon, no transfer shall be valid, unless made by the registered holder or his duly authorized attorney on the Pacific Company's books at the office where such registration was made and similarly noted on the bond, but the same may be discharged from registry by being transferred on the books at such office to bearer, such transfer being similarly noted on the bond, and thereafter transferability by delivery shall be restored, but this bond may again, from time to time, be registered or transferred to bearer as before.

The Pacific Company agrees that it will not at any time hereafter, so long as any of the said bonds shall be outstanding, create or suffer to be created any charge upon, or issue any bond or bonds which shall be a lien upon, any of the property for the time being forming a part of the security for the repayment of the principal and interest due under said bonds, in priority to or *pari passu* with the charge or lien securing the said bonds or any of them.

This bond shall not be valid or become obligatory for any purpose until it shall have been authenticated by the certificate of the Trustee hereon endorsed.

This bond is to have endorsed hereon the guarantee of The Grand Trunk Railway Company of Canada.

In witness whereof, The Grand Trunk Pacific Railway Company has caused these presents to be signed by its president or one of its vice-presidents, and its corporate seal to be hereunto affixed, and to be attested by its secretary or an assistant secretary, and coupons for said interest with the engraved signature of its treasurer to be attached hereto as of the first day of April, 1905.

THE GRAND TRUNK PACIFIC RAILWAY COMPANY.

By

[L. S.]

.....
President.

.....
Secretary.

[STATEMENT TO BE STAMPED OR ENGRAVED ON THE BOND.]

At the option of the holder of this bond The Grand Trunk Pacific Railway Company will pay the principal and interest

of said bond at the respective maturities thereof at its office or agency in the city of New York, in gold coin of the United States of America of the present standard of weight and fineness, at the fixed rate of exchange of four and $\frac{86}{100}$ dollars (\$4.86) to the pound sterling, or at its office or agency in the city of Montreal, Canada, in currency of the Dominion of Canada at the same fixed rate of exchange.

THE GRAND TRUNK PACIFIC RAILWAY COMPANY.

by

CHAS. M. HAYS,

President.

[FORM OF COUPON.]

No.....

£.....

On the first day of....., The Grand Trunk Pacific Railway Company will pay to the bearer at its office or agency in London, England,.....pounds sterling, being six months' interest then due on its Lake Superior Branch Four Per Cent First Mortgage Sterling Bond, due 1955, No....., guaranteed by The Grand Trunk Railway Company of Canada.

FRANK SCOTT,

Treasurer.

[STATEMENT TO BE STAMPED OR ENGRAVED ON EACH COUPON.]

Payable at \$.....in New York in U.S. gold coin, or in Montreal in Canadian currency.

[FORM OF TRUSTEE'S CERTIFICATE.]

This certifies that this bond is one of an issue of Lake Superior Branch Four Per Cent First Mortgage Sterling Bonds, due 1955, described in the within-mentioned mortgage or deed of trust executed by The Grand Trunk Pacific Railway Company to the undersigned as Trustee.

NATIONAL TRUST COMPANY, LIMITED,

By

Trustee.

.....

Manager.

And whereas the Grand Trunk Company has approved of the form and provisions of this mortgage and of the bonds to be secured hereby and of the form of guarantee as hereinafter set forth, namely:

[FORM OF GUARANTEE.]

For value received, The Grand Trunk Railway Company of Canada, having been thereunto duly authorized, hereby unconditionally guarantees the prompt payment of the principal and interest of the within bond according to the tenor thereof, and it agrees that if such payment is not made it will itself forthwith make such payment.

In witness whereof The Grand Trunk Railway Company of Canada has caused this guarantee to be signed on its behalf by its Treasurer thereunto authorized under the seal of the Company by a resolution of its Board of Directors dated the 21st day of December, 1904.

THE GRAND TRUNK RAILWAY COMPANY OF CANADA,

By

.....
Treasurer.

And whereas the creation and issue of the said Lake Superior Branch Four Per Cent First Mortgage Sterling Bonds, due 1955, and the execution of this mortgage to secure the same have been duly authorized by the Board of Directors of the Pacific Company in terms of the resolutions passed at a board meeting duly held on the 11th day of March, 1905, copies of which are as follows :

“Resolved that, for the purpose of providing for the payment of the cost of construction of the Lake Superior Branch of the Company’s railway, this Company shall create and issue its bonds, as hereinafter provided, secured upon the railway, undertaking, equipment and property, tolls, rights and franchises of the Lake Superior Branch of this Company’s railway, to be known as its Lake Superior Branch Four Per Cent First Mortgage Sterling Bonds, due 1955, for an aggregate principal amount which shall not in any event exceed the sum of £1,550,000, at any one time outstanding and shall be payable in sterling on the first day of April, 1955, at the office or agency of the Company, in London, England, and shall bear interest at the rate of four per centum per annum, from the first day of April, 1905, payable in sterling semi-annually, on the first day of April and the first day of October, in each year, at said office or agency. Said bonds may be of such denominations as the Directors shall determine, provided that such bonds shall not be issued for any denomination less than £100 sterling.

“Resolved further, that the proper officers of the Company may cause to be stamped or engraved on each of said bonds before the issue thereof a statement in the form following, to wit :

“‘At the option of the holder of this bond The Grand Trunk Pacific Railway Company will pay the principal and interest thereof at its office or agency in the city of New York, in gold coin of the United States of America of the present standard of weight and fineness, at the fixed rate of exchange of four and $\frac{86}{100}$ dollars (\$4.86) to the pound sterling, or at its office or agency in the city of Montreal, Canada, in currency of the Dominion of Canada at the same fixed rate of exchange.’

“And upon each coupon attached to said bonds a statement in form following, to wit:

“‘Payable at \$.....in New York in U. S. gold coin, or in Montreal in Canadian currency.’

“Resolved further, that, in order to secure payment of said bonds issued and to be issued, with the interest thereon, this Company shall execute a mortgage or deed of trust to the National Trust Company, Limited, a company duly incorporated under the laws of the province of Ontario in the Dominion of Canada, as Trustee, covering the railway, undertaking, equipment and property, tolls, rights and franchises of the Lake Superior Branch of this Company's railway described in the draft of mortgage now submitted to this Board.

“And resolved further, that said draft of mortgage and the form of bonds and coupons and statements to be stamped or engraved thereon, respectively, and of the guarantee of The Grand Trunk Railway Company of Canada to be endorsed on said bonds, which are embodied in the said draft mortgage, be and the same are hereby approved, and that the President or one of the Vice-Presidents and the Secretary of this Company be and they are hereby authorized to execute the said mortgage and bonds on behalf of this Company under its corporate seal.

“Resolved further, that the statement to be stamped or engraved on said bonds shall be authenticated by the engraved signature of the present President of the Company and the Company may adopt and use for that purpose the engraved signature of any person who shall have been such President, notwithstanding the fact that such person may have ceased to be such President at the time when such bonds shall be actually certified and delivered.

“And resolved further, that in case the officers who shall have signed and sealed any of such bonds shall cease to be officers of the Company before the bonds so signed and sealed shall have been actually certified and delivered by the Trustee, such bonds may nevertheless be adopted and used by the Company, and upon the written request of said Company may be issued, certified and delivered as though the persons who signed and sealed such bonds had not ceased to be officers of the Company. The coupons to be attached to such bonds may be authenticated by the engraved signature of the present Treasurer or any future Treasurer of the Company and said

Company may adopt and use for that purpose the engraved signature of any person who shall have been such Treasurer, notwithstanding the fact that such person may have ceased to be such Treasurer at the time when such bonds shall be actually certified and delivered."

And whereas the said resolutions of the Board of Directors of the Pacific Company together with said draft of mortgage and the form of bonds and coupons and statements to be stamped or engraved thereon, respectively, and of the guarantee of the Grand Trunk Company to be endorsed on said bonds, which are embodied in the said draft mortgage, were thereafter submitted to a meeting of the shareholders of the Pacific Company duly called and held in conformity with the provisions of the Railway Act, 1903, at which shareholders representing at least two-thirds in value of the subscribed stock of the Pacific Company, and who had paid all calls due thereon were present in person or represented by proxy, and the said resolutions of the said Board of Directors were in all things at the said meeting duly ratified and confirmed;

And whereas this mortgage is substantially in the form of the said draft mortgage approved by the directors and the shareholders at the said meeting, respectively;

And whereas the form of bonds, coupons to be attached thereto, the said statements thereon, the Trustee's certificate to be signed by the said Trustee, and the guarantee to be endorsed thereon by the Grand Trunk Company, as the same were approved by the directors and the shareholders as above set forth, are severally substantially set forth in this mortgage;

And whereas, in pursuance of such authority and of all and every legal power and authority in it vested, the Pacific Company proposes now to issue and deliver the bonds hereby secured, and to execute this indenture to secure the said bonds and to declare the terms and conditions upon which every such bond is and shall be issued and secured,

Now, therefore, this indenture witnesseth as follows :

ARTICLE ONE.

MEANING OF TERMS.

Section 1. The Grand Trunk Pacific Railway Company, a company duly incorporated by the Parliament of Canada, is herein called the "Pacific Company"; The Grand Trunk Railway Company of Canada, a company duly incorporated by the Legislature of the late Province of Canada, and now under the legislative jurisdiction of the Parliament of Canada, is herein called the "Grand Trunk Company"; and the National Trust Company, Limited, a company duly incorporated under the laws of the Province of Ontario in the Dominion of Canada, is herein called the "Trustee."

Section 2. All the covenants, stipulations, promises and agreements in this indenture contained, by or on behalf of the Pacific Company, or of the Grand Trunk Company, shall extend to and be binding upon the successors and assigns respectively of each of the said Companies.

Section 3. Unless there is something in the subject or context inconsistent therewith, the words "the Trustee" shall be construed to refer to and describe the Company which shall, for the time being, be charged with the execution of any of the trusts of these presents whether such company shall be the Company named herein as the Trustee or any successor of the said company in the said trusts.

Section 4. The expression "the mortgaged premises" shall include all the premises and franchises hereby mortgaged or charged in any way with the payment of moneys intended to be secured by these presents.

Section 5. The expression "construction work," for the purposes of this mortgage generally, and of the securities issued and to be issued hereunder, and more particularly for the purposes of Section 5 of Article three of this mortgage, shall mean and include all wages, materials and supplies for construction of the Lake Superior Branch, or any part thereof, material purchased or acquired for the purposes of such construction, machinery, plant, implements, tools, services and transportation required for, or entering into, the cost of such construction; expenditure for right-of-way and other lands required for the purposes of the said Branch and for terminal facilities thereof, expenditure for compensation for lands injuriously affected, for accommodation works and damages, for compensation for injuries, accidents and casualties to persons and property incidental to or arising out of such construction, for preliminary expenses, surveys and engineering, maintenance, repairs and replacement of works and materials during construction, superintendence and management, bookkeeping, legal and medical expenses, and, generally, all costs and expenditure occasioned by the construction of such Branch, whether of the same kind as, or differing in kind from, the classes of expenditure especially above mentioned, including stamp duties, banking charges, exchange and interest upon the money expended. Provided, however, that no materials or supplies shall be included in the expression "construction work" unless and until they shall have been delivered in Canada to the Pacific Company.

Where the work is done under contract, the expression "construction work" shall also include payments and obligations to contractors for construction of any part of the said Branch.

The expression "construction work" shall also include the material, supplies and labour expended in the construction of telegraph and telephone lines reasonably required for the operation of the said Branch.

The said expression "construction work" shall also include any sum or sums of money paid or to be paid by the Pacific Company as interest accruing, or about to accrue, during the period of construction upon any bonds issued hereunder, less any sum or sums of money received by the said Company, from its net earnings in respect of the said Branch or as interest upon any proceeds of bonds issued in respect thereof.

Section 6. The expression "working expenditure" for the purposes of this mortgage and of the securities issued and to be issued hereunder shall mean and include all expenses of maintenance of the said Branch and of the stations, buildings, works and conveniences belonging thereto, and of the rolling and other stock and movable plant used in the working thereof, and all such tolls, rents or annual sums as are paid on account of property leased to, or held by, the Pacific Company in respect of the said Branch (apart from the rent of the Eastern Division or any other leased line) or in respect of the hire of rolling stock let to the Company as part of the equipment of the said Branch; all rent, charges or interest on the purchase money of lands belonging to the Pacific Company purchased for the use of the said Branch but not paid for, or not fully paid for; all expenses of or incidental to working such Branch and the traffic thereon, including all stores and supplies and all necessary repairs and supplies to rolling stock while on such Branch or elsewhere; rates, taxes, insurance and compensation for accidents or losses payable in respect of such Branch; also all salaries and wages of persons employed in and about the working of the said Branch and the traffic thereon; the due proportion of such tolls, rent or other sums as may be payable for the use of rolling stock used upon such Branch, of all office and management expenses, including directors' fees, agency, legal, medical and other like expenses, and of any sums of money contributed to any fund for the benefit of the employees of the Pacific Company; and all costs and expenses of and incidental to the compliance by the Pacific Company with any order of the Board of Railway Commissioners for Canada or of any Board or authority which may hereafter be duly constituted by the Parliament of Canada for the regulation of railways, and made in reference to such Branch, and generally all such charges, if any, not above otherwise specified as in all cases of English railway companies are usually carried to the debit of revenue as distinguished from capital account.

ARTICLE TWO.

PROPERTY GRANTED IN TRUST.

Section 1. In order to secure the payment of the principal and interest of all the bonds at any time hereafter issued and outstanding under this indenture, according to their tenor and effect, and the performance of all the covenants and conditions

herein contained, and to declare the terms and conditions upon which such bonds are issued and received, the Pacific Company, in consideration of the premises and of the purchase and acceptance of such bonds by the holders thereof, and of the sum of one dollar to it duly paid by the Trustee at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has executed and delivered these presents, and has granted, bargained, sold, released, conveyed, assigned, transferred and set over and doth hereby grant, bargain, sell, release, convey, assign, transfer and set over to the Trustee, its successors and assigns, for ever, all and singular the railway, undertaking, equipment and property, tolls, rights and franchises of the Pacific Company, hereinafter described, comprising the line of railway to be constructed from a point about 230 miles east of Winnipeg on the Eastern Division of the National Transcontinental Railway above referred to, and extending from the said point on the said Eastern Division south-easterly to Port Arthur or Fort William or some other Canadian port, on Lake Superior, approved by the Governor in Council, a distance of about 220 miles, but not including any other section or division of the railway of the Pacific Company nor the rolling stock or equipment of or any property appurtenant to such other section or division, nor the rolling stock or equipment constituting the equipment of the said Eastern Division of the National Transcontinental Railway, and not including ships or any municipal or provincial grants of land by way of bonus or subsidy to the Pacific Company (other than municipal or provincial grants of land made to the Pacific Company for right of way, station grounds, terminals or other like railway purposes), nor any cash subsidies or bonuses nor any other line of railway or property whatsoever except the railway and property herein expressly described :

And all and singular the estates, leasehold or otherwise, rights, privileges and franchises belonging or appertaining to the said Lake Superior Branch of the said railway, undertaking, equipment and property, tolls, rights and franchises, except as above provided, including (a) all terminals, wharfs, piers, docks, telegraph and telephone lines and all other structures connected therewith belonging to the Pacific Company and used in connection with the said Lake Superior Branch ; (b) all roadbeds, superstructures, rights of way, rails, tracks, sidetracks, sidings, extensions, bridges, viaducts, terminals, buildings, depots, stations, tanks and water appliances, warehouses, car houses, engine houses, freight houses, coal houses, wood houses, machine shops and other shops, turntables, water stations, fences, structures, erections and fixtures, and any and all other property, real or personal, of every kind or description now or hereafter to be provided for use upon or acquired by the Pacific Company or its successors as appurtenant to the said branch of the said railway or for

terminals thereof; (c) all locomotives, engines, cars and other rolling stock, equipment, machinery, instruments, tools, implements, fuel, materials, furniture and other chattels of the Pacific Company now owned or hereafter held, acquired or provided by the Pacific Company, or its successors, constituting the equipment of the said Lake Superior Branch, or of the terminals thereof or of other property hereby mortgaged, including materials and supplies purchased or acquired for the purposes of construction, notwithstanding that the same may not have been actually delivered upon the work; (d) all the rents, issues, profits, tolls and other revenues receivable by the Pacific Company from the said Branch; and (e) all the rights, privileges, franchises, equipment and property which the Pacific Company now has or which it or its successors shall hereafter acquire, possess, or become entitled to, appertaining to the construction, maintenance, use or operation of the said Lake Superior Branch, or of the terminals thereof or of other property hereby mortgaged; provided, however, that in respect of any leaseholds or terms of years included herein the interest of the Trustee therein shall be subject to the provisions of Section 7 of Article Nine hereof.

The foregoing description of the mortgaged premises is not intended to and shall not comprise or include any branch line exceeding six miles in length connecting with the said Lake Superior Branch which may be hereafter constructed and for the construction of which authority may have been or may hereafter be obtained under any special Act of Parliament, nor any branch of any such branch line whether the same shall or shall not exceed six miles in length, nor any of the classes or descriptions of property above described appertaining or belonging to the branch lines by this clause excepted or any of them.

To have and to hold the mortgaged premises unto the Trustee and to its successors and assigns forever, free from encumbrances, in trust, for the equal and proportionate benefit and security of all holders of the bonds and interest obligations to be issued hereunder and secured by this indenture, and for the enforcement of the payment of said bonds and interest obligations when payable, and the performance of and compliance with the covenants and conditions of this indenture, without preference, priority or distinction of one bond over any other bond issued hereunder by reason of priority in the issue or negotiation thereof, or otherwise howsoever.

And it is hereby covenanted and declared that all such bonds, with the coupons for interest thereon, are to be issued and certified and delivered, and that the mortgaged premises are to be held by the Trustee, subject to the further covenants, conditions, uses and trusts hereinafter set forth.

And it is covenanted between the parties hereto and for the benefit of the respective holders, from time to time, of bonds issued hereunder, as follows, namely:—

ARTICLE THREE.

ISSUE, REGISTRATION AND APPROPRIATION OF BONDS AND THEIR PROCEEDS.

Section 1. All bonds to be secured hereby shall be completely signed and executed by the Pacific Company, and the guarantee of the Grand Trunk Company having been endorsed thereon shall be delivered to the Trustee hereunder for certification, and the Trustee shall thereupon certify and deliver the same as hereinafter provided.

Section 2. The bonds to be issued under and secured by this indenture, together with the coupons appertaining thereto, shall be substantially of the tenor and purport above recited. In case the officers who shall have signed and sealed any of such bonds shall cease to be officers of the Pacific Company before the bonds so signed and sealed shall have been actually certified and delivered by the Trustee, such bonds may, nevertheless, be adopted and used by the Pacific Company, and, upon the written request of said Company, shall be issued, certified and delivered subject to the provisions hereof, as though the persons who signed and sealed such bonds had not ceased to be officers of the Pacific Company. The coupons to be attached to such bonds shall be authenticated by the engraved signature of the Treasurer of the Pacific Company, and the said Company may adopt and use for that purpose the engraved signature of any person who shall have been such treasurer, notwithstanding the fact that such person may have ceased to be such treasurer at the time when such bonds shall be actually certified and delivered.

Section 3. The said statement to be stamped or engraved on said bonds shall be authenticated by the engraved signature of the President of the Pacific Company, and the said Company may adopt and use for that purpose the engraved signature of any person who shall have been such president, notwithstanding the fact that such person may have ceased to be such president at the time when such bonds shall be actually certified and delivered.

Section 4. The purchase price of the bonds or of any of them (hereinafter referred to as the "proceeds" of the said bonds), shall be paid by the purchasers thereof from time to time to a Bank or Banking Company (hereinafter called "the Depositary") designated for that purpose by the Pacific Company, such designation, however, to be subject to the approval in writing of the Trustee which shall not be unreasonably withheld. The Depositary is to receive, hold and dispose of the said proceeds and any interest accruing thereon in accordance with and subject to the provisions of Section 5 of this Article; but it shall not be authorized to act as such Depositary or to receive the said proceeds or any part thereof unless and until by an instrument in writing, duly executed,

hereinafter referred to as the deposit agreement, it shall have agreed with the Trustee and the Pacific Company to receive, hold and dispose of said proceeds as herein provided.

Any bonds duly certified as aforesaid shall be delivered by the Trustee to the purchaser or purchasers thereof or on their order from time to time as directed by the Pacific Company, but only upon the receipt by the Trustee from the Depositary of a certificate in writing that it has received from such purchaser or purchasers an amount certified by the Pacific Company to be the purchase price of said bonds.

Section 5. The Depositary shall keep all the said proceeds received by it as aforesaid to the credit of the Trustee and the Pacific Company jointly, and shall from time to time pay any such proceeds held by it and any interest accruing thereon from time to time to the Pacific Company upon the joint draft of the Trustee and the Pacific Company, signed by their duly authorized officers or agents, but only for such amounts as shall be stated in the certificates hereinafter provided for of the Chief Engineer or of the General Auditor or other chief accounting officer of the Pacific Company; but such proceeds shall be so paid only in respect of construction work on the said Lake Superior Branch for which payments shall be due and payable as hereinbefore provided. Such joint draft shall be accompanied by a certificate of the Chief Engineer of the Pacific Company (and the Depositary shall not make the payment until the same shall be furnished) stating the actual cost of the construction work on account of which such joint draft is made; that the price paid or agreed to be paid for such construction work is not in excess of the fair value of the obligation or expenditure on account of which payment is requested; and in each instance where any instalment shall theretofore have been paid out of the proceeds of said bonds, that the same has been actually used or expended for the purpose or purposes for which the payment thereof was made.

Whenever any such joint draft as aforesaid shall include any sum paid or to be paid on account of interest on bonds included as part of the cost of construction work as hereinbefore defined, the Pacific Company shall in each instance furnish to the said Depositary (and the Depositary shall not make the payment until the same shall be furnished) a certificate or certificates of its General Auditor or other chief accounting officer stating (a) the amount necessary to be paid in respect of interest due or accruing due upon bonds; (b) the amount of interest credited in respect of proceeds of bonds in the hands of the Depositary and not theretofore applied towards payment of such bond interest; (c) the amount of net earnings not theretofore applied towards payment of such bond interest; (d) when payments have theretofore been made by the Depositary to enable such bond interest to be paid, that the same have been so applied. The production of any such certificate of

the said Chief Engineer, General Auditor or other chief accounting officer shall be conclusive evidence to the Trustee and the Depositary of the facts stated therein.

Any proceeds remaining on deposit with the Depositary, and any interest payable on such proceeds, pending the complete construction of the said Branch shall, subject to the further payments therefrom on account of construction work, as hereinbefore provided, be held by the Depositary as security for the payment of the said bonds.

If, upon the complete construction and equipment of the said Branch, and the payment of all sums payable on account of construction work in respect thereof, there shall remain on deposit with the Depositary any balance of the proceeds of the said bonds, such balance and any interest payable thereon shall be applied, on the order of the Pacific Company, to the purchase of bonds issued hereunder; and upon receiving the bonds so purchased the Depositary shall deliver the same to the Trustee, who shall forthwith cancel and destroy the same and deliver to the Pacific Company an instrument in writing under its corporate seal stating the numbers of the said bonds, and certifying that they have been cancelled and destroyed.

Section 6. In case any Bank or Banking Company appointed as Depositary, shall decline to act, resign or otherwise become incapable of acting as such Depositary, a Bank or Banking Company shall be appointed by the Pacific Company by an instrument in writing as a successor to such Depositary, such appointment, however, to be subject to the approval in writing of Speyer Brothers and of the Trustee which shall not be unreasonably withheld; and upon the acceptance of said appointment by the Bank or Banking Company so appointed any funds, being the proceeds of bonds issued hereunder, with any accrued interest thereon remaining on deposit with the Depositary last acting shall be forthwith paid over to the new Depositary so appointed to succeed it; and the deposit agreement shall contain suitable provisions to that end.

The compensation and expenses of the Depositary shall be paid by the Pacific Company.

Section 7. The principal of said bonds issued in respect of the said Lake Superior Branch shall not exceed the sum of £1,550,000 sterling, at any one time outstanding. The said bonds shall be payable on the first day of April, 1955, and shall be in denominations of £100 and £200, of which not more than £310,000 face value shall be in the denomination of £100 each, and may be issued from time to time hereafter with the guarantee of the Grand Trunk Company endorsed thereon.

Section 8. Only such bonds as shall bear thereon endorsed the certificate of the Trustee, by it duly executed under the hand of its President or Vice-President, or Manager, shall be secured by this indenture or shall be entitled to any lien or benefit thereunder; and every such certificate of the Trustee

upon any bond executed on behalf of the Pacific Company shall be conclusive evidence that the bond so certified has been duly issued hereunder and is entitled to the benefits hereof. Before certifying or delivering any bond hereby secured, the Trustee shall cut off and cancel all coupons thereof then matured.

Section 9. The Pacific Company shall at all times keep at its head office in the city of Montreal, and at its office or agency in London, England, and at its office or agency in the city of New York, suitable and appropriate books for the registering of the holders of bonds, to be issued hereunder; and every holder of one or more bonds hereby secured shall, subject to the provisions of Section 10 of this Article, be entitled without charge to have his name and address and the denomination and numbers of any of the said bonds held by him entered in such register upon presenting at any one of the said offices a written statement of the said particulars, signed by himself and producing the bonds; and every registration of the ownership of any bond shall be properly certified thereon. Upon the registration of any such bond the same shall cease to be transferable by delivery and shall become transferable only by the registered holder thereof in person, or by attorney duly authorized, on the books of the Pacific Company at its head office in the city of Montreal, or at its office or agency in London, England, or at its office or agency in the city of New York, as the case may be, upon production of said bond, and each transfer thereof shall be recorded by endorsement upon the said bond, unless the last preceding transfer shall have been to bearer, which shall restore the transferability of the bond by delivery; but no registration of a bond shall affect the negotiability by delivery of the coupons appertaining thereto.

Section 10. After the first registration of any such bond the same shall continue to be registered only in the office in which the first entry of registration has been made.

Section 11. Each of the said registers shall be open at all reasonable hours to the inspection of the Trustee, and of the Grand Trunk Company, or any agent or officer duly appointed on behalf of the said Trustee or of the Grand Trunk Company, and copies shall be furnished to the Trustee or to the Grand Trunk Company, upon request.

Section 12. The Pacific Company shall be entitled to make a reasonable charge, not exceeding one dollar, for each transfer of a registered bond.

Section 13. In case any bond issued hereunder with the coupons thereto appertaining, shall become mutilated or be destroyed, the Pacific Company, in its discretion, may issue, and thereupon the Trustee shall certify and deliver a new bond of like tenor and date, including coupons for unpaid interest thereon, bearing the same serial number, in exchange and substitution for, and upon cancellation of, the mutilated bond, and its coupons, or in lieu of, and substitution for, the

bond and its coupons so destroyed, upon receipt of evidence satisfactory to the Pacific Company of the destruction of such bond and its coupons, and upon receipt also of indemnity satisfactory to the Pacific Company, and the Pacific Company may charge for the issue of such new bond an amount sufficient to reimburse it for the expense incurred in the issue thereof.

Section 14. Nothing in this Article, or any other Article of this indenture, expressed or implied, is intended, or shall be construed, to give to any person or corporation, other than the parties hereto and the holders of bonds issued under and secured by this indenture, any legal or equitable right, remedy or claim, under or in respect of this indenture, or under any covenant, condition or provision herein contained; all its covenants, conditions and provisions being intended to be, and being, for the sole and exclusive benefit of the said parties and of the holders of the bonds hereby secured.

ARTICLE FOUR.

THE GUARANTEE OF THE GRAND TRUNK COMPANY.

Section 1. The Grand Trunk Company hereby agrees with the Pacific Company and the Trustee and each of them to guarantee payment of the principal and interest of the bonds to be issued under this mortgage, by endorsing upon each of said bonds its guarantee in writing in the form hereinbefore set forth, but the principal of said bonds shall not exceed the sum hereinbefore limited at any one time outstanding.

Section 2. The guarantee of the Grand Trunk Company hereinbefore referred to shall constitute a liability of the said Company in priority to all the share capital of the said Company, whether guaranteed stock, preference stock, or ordinary stock.

Section 3. Notwithstanding anything herein contained, no liability shall attach to the Grand Trunk Company, as guarantor of bonds to be issued hereunder, except in respect of bonds upon which the Grand Trunk Company shall have endorsed its guarantee in writing as above provided.

Section 4. No extension, waiver or other modification, pursuant to the provisions in this mortgage contained, of the obligations of the Pacific Company under the provisions of said bonds by the Trustee or by all or any of the bondholders, or by such bondholders and Trustee acting together shall release or discharge the Grand Trunk Company from its obligation as guarantor of said bonds or upon its covenants herein contained.

ARTICLE FIVE.

COVENANTS OF THE PACIFIC COMPANY.

The Pacific Company covenants with the other parties hereto as follows :

Section 1. That it will cause the said Lake Superior Branch to be commenced, laid out, constructed and equipped in all respects in accordance with the said Acts and the provisions of the said construction contract so that the said branch may be wholly open for public traffic within five years from the date hereof or within any extension of such period duly authorized.

Section 2. That it will duly and punctually pay, or cause to be paid, to every holder of any bond issued and secured hereunder, the principal and interest accruing thereon, at the dates and place and in the manner mentioned in such bonds, or in the coupons thereto belonging, according to the true intent and meaning thereof, without deduction from either principal or interest for any tax or taxes which may hereafter be imposed, levied or assessed and which the Pacific Company may be required to pay or to retain therefrom under any present or future law of the Dominion of Canada or of any province, county, municipality or territory thereof, the Pacific Company hereby agreeing to pay all such tax or taxes.

Section 3. Whenever required by the Trustee, the Pacific Company shall grant, convey, release, confirm, assign, transfer and set over unto the Trustee the estate, right, title and interest of the Pacific Company in and to all the mortgaged premises, and also will do, suffer, execute, acknowledge and deliver, or will cause to be done, suffered, executed, acknowledged and delivered, all and every such further acts, deeds, conveyance, transfers, and assurances for the better assuring, conveying and confirming unto the Trustee all and singular the said mortgaged premises, as the Trustee shall reasonably require for better accomplishing the objects and purposes of this indenture, and for securing payment of the principal and interest of the bonds intended to be hereby secured, and especially will, if required by the Trustee, as soon as practicable, execute by way of further assurance a supplementary deed or deeds of mortgage, containing if necessary a more definite description of the property intended to be covered by this Mortgage or Deed of Trust.

Section 4. The Pacific Company shall be primarily liable to pay the interest as well as the principal upon all of the said bonds, but, if default shall be made by the Pacific Company in the payment thereof, or any part thereof, The Grand Trunk Company shall pay the same and shall take up the coupons representing such interest; and any moneys so paid by the Grand Trunk Company under its guarantee, whether for principal or interest of the said bonds, shall be held to have been paid in discharge of the liability of the Grand Trunk Com-

pany, but not in discharge of the liability of the Pacific Company with respect to the said bonds, and any money so paid by the Grand Trunk Company shall continue to be a charge under this mortgage, and the Grand Trunk Company shall be subrogated to all the rights of the holders of the said bonds, the interest upon or the principal of which shall have been paid by the Grand Trunk Company, and shall, in respect of such bonds, be, in all respects, in the position of holders of bonds in respect of which default has been made, and may exercise all the rights of such holders under this mortgage so long as it shall continue to pay, according to the tenor and effect thereof, the interest upon bonds of which the principal is not due, and so long as there shall not be any other default of the Pacific Company upon such bonds or in the performance of any of the covenants contained herein with respect to such holders of bonds continuing beyond any period of grace provided for in these presents.

Section 5. Notwithstanding anything herein contained, this mortgage is subject, in the first instance, to the payment of any penalty which may now or hereafter be imposed upon the Pacific Company for non-compliance in respect of the said Branch with the requirements of "The Railway Act, 1903," and to the payment of the working expenditure, as hereinbefore defined, of the said Branch.

Section 6. The Pacific Company shall acquire adequate terminals and terminal facilities for the proper operation of the said Branch and shall operate the said Branch and keep the same and all rolling stock, plant, machinery, works, fixtures, fittings, implements, utensils and other effects upon the same covered by this mortgage and every part thereof, in a good state of repair and in proper working order and condition, and shall, from time to time, provide such substituted or additional rolling stock, plant, machinery, works, fixtures, fittings, implements, utensils and other effects as may be required for the proper and efficient operation of the said Branch, and all such substituted or additional rolling stock, plant, machinery, works, fixtures, fittings, implements, utensils and other effects shall be subject in all respects to the trusts of this indenture; and the Pacific Company covenants and agrees that it will duly execute and deliver to the Trustee any and all instruments necessary or proper to subject such substituted or additional property to the lien of these presents.

Section 7. The Pacific Company covenants and agrees that it has not created or suffered to be created, and that it will not create or voluntarily suffer to be created, any lien or charge having priority to or preference over or ranking *pari passu* with the lien or charge of these presents upon the mortgaged premises, or any part thereof, or upon the income thereof, and that, if any lien or charge shall hereafter arise or be created or take effect upon the mortgaged premises

or any part thereof contrary to the terms of this covenant, the Pacific Company will within three months after the same shall have accrued, pay or cause to be paid and discharged, or will make adequate provision for the satisfaction and discharge of every such lien or charge, and that it will punctually pay and discharge all lawful claims and demands of materialmen, mechanics, labourers and others, which, if unpaid, might operate as a lien or charge upon the premises hereby mortgaged, or any part thereof, or the income thereof.

Provided, however, that nothing in this indenture contained shall be construed so as to prevent the Pacific Company from acquiring on credit rolling stock subject to agreement that the property therein is not to pass until payment therefor is made in full, which agreement shall, according to the terms thereof, be valid, but the Pacific Company covenants and agrees that it will, itself, punctually pay all claims and demands upon such rolling stock according to the terms of any such agreement.

Section 8. The Pacific Company further covenants that it will from time to time pay and discharge all rates, taxes, levies, charges and assessments whatsoever lawfully imposed upon the mortgaged premises, or upon any part thereof, or upon the income and profits thereof, the lien of which would be prior to the lien hereof, so that the priority of this indenture shall be fully preserved in respect of such premises.

Section 9. The Pacific Company further covenants and agrees that there shall not be issued hereunder and at any one time outstanding bonds in excess of the amount authorized by the said Acts hereinbefore recited or by any Act authorizing or confirming this mortgage, and that it will not issue, negotiate, sell or dispose of any bonds hereby secured in any manner other than in accordance with the provisions of this indenture.

ARTICLE SIX.

POSSESSION UNTIL DEFAULT AND RELEASE.

Section 1. Until default shall have been made in the due and punctual payment of the interest or of the principal of the bonds hereby secured, or of some part of such interest or principal or in the due and punctual performance and observance of some covenant or condition hereof obligatory upon the Pacific Company, and until such default shall have continued beyond the period of grace, if any, herein provided in respect thereof, the Pacific Company, its successors and assigns, shall be suffered and permitted to retain actual possession of all the mortgaged premises, and to manage, operate and use the same and every part thereof, with the rights and franchises appertaining thereto, and to collect, receive, take, use and enjoy the tolls, earnings, income, rents, issues and profits thereof.

Section 2. If, when the bonds hereby secured shall have become due and payable, the Pacific Company shall well and truly pay, or shall cause to be paid, the whole amount of the principal and interest due upon all of the said bonds then outstanding, and the coupons for interest thereon, or shall provide for such payment by depositing with the Trustee hereunder for the payment of such bonds and coupons the entire amount due thereon for principal and interest, then and in that case all the mortgaged premises shall revert to the Pacific Company, and the estate, right, title and interest of the Trustee shall thereupon cease, determine and become void, and the Trustee, on demand of the Pacific Company and at its cost and expense, shall execute a release and discharge of this mortgage and shall deliver to the Pacific Company, its successors and assigns, all the mortgaged premises and all securities, moneys, books, documents and other chattels and things held by it as Trustee hereunder.

ARTICLE SEVEN.

RELEASES OF MORTGAGED PROPERTY.

Section 1. Upon the written request of the Pacific Company, approved by resolution of its Board of Directors (or Executive Committee), the Trustee from time to time while the Pacific Company is in possession of the mortgaged premises, but subject to the conditions and limitations in this Article prescribed and not otherwise, shall release from the lien and operation of this indenture any part of the mortgaged premises then subject thereto, provided (1) that no part of the line of railway or of the right of way of the said Branch shall be released unless the same shall no longer be of use in the operation of any part of the mortgaged premises, and no part of such line of railway or of the right of way shall be so released if thereby the continuity of the railway between the termini above-mentioned shall be broken; and (2) that no part of the mortgaged premises shall be released hereunder, unless at the time of such release it shall no longer be necessary or expedient to retain the same for the operation, maintenance, or use, of such railway, or for use in the business of the Pacific Company.

Section 2. No such release shall be made under this Article unless the Pacific Company shall have sold, or shall have contracted to exchange for other property or to sell the property so to be released, and the proceeds of any and all such sales shall be set apart and held in trust, and applied, with the consent or approval of the Trustee, to the purchase of other property, real or personal, or in betterments of or additions to the equipment or to the rolling stock, or otherwise in the improvement of some part of the mortgaged premises.

Section 3. Any new or additional property acquired by the Pacific Company in the place of any property released under

this Article shall immediately become and be subject to the lien of this indenture as fully as the property specially described herein, and, if requested by the Trustee, the Pacific Company will convey the same to the Trustee, by appropriate deed or deeds upon the trusts and for the purposes of this indenture.

Section 4. The Pacific Company, while in possession of the mortgaged premises, shall also have full power, in its discretion from time to time, to dispose of any portion of the machinery, implements, tools, plant and equipment at any time held subject to the lien hereof, which may have become unfit for use, replacing the same by new machinery, tools, plant and equipment, which shall forthwith become subject to the lien of this indenture.

Section 5. The purchaser or purchasers of any property sold or disposed of under any provision of this Article shall not be required to see to the application of the purchase money or be responsible for the misapplication or non-application thereof.

Section 6. In case the mortgaged premises shall be in the possession of a receiver lawfully appointed under the provisions hereof, the powers in and by this Article conferred upon the Pacific Company may be exercised by such receiver with the approval of the Trustee; and, if the Trustee shall be in possession of the mortgaged premises under the provisions hereof, then all such powers may be exercised by the Trustee in its discretion.

ARTICLE EIGHT.

REMEDIES OF TRUSTEE AND BONDHOLDERS.

Section 1. In case the Pacific Company shall make default in the payment of any interest on any bond or bonds hereby secured, or in the performance of any of the covenants of the Pacific Company contained in Section 7 of Article Five hereof, and any such default shall have continued for a period of six months, then and in every case of such continuing default, upon receiving from the chairman of a meeting of the bondholders a certified copy of an extraordinary resolution as hereinafter defined, making a request for such action by the Trustee, the Trustee, by notice in writing delivered to the Pacific Company, shall declare the principal of all bonds hereby secured then outstanding to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this indenture or in said bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of said bonds shall have been so declared due and payable, all arrears of interest upon all such bonds, with interest at the rate of four per centum per annum on overdue instalments of interest, and the expenses of the Trustee, shall either be paid by the Pacific Company, or be collected out of

the mortgaged premises before any sale thereof shall have been made, then and in every such case such default and its consequences may be waived by the Trustee with the consent of the bondholders expressed by an ordinary resolution as hereinafter defined, but no such waiver shall extend to or affect any subsequent default, or impair any right consequent thereon.

Section 2. (a) In case the Pacific Company shall make default in the payment of any interest on any bond or bonds secured by this indenture, or in the performance of any of the covenants of the Pacific Company, contained in Section 7 of Article Five of this indenture and any such default shall have continued for a period of six months;

(b) or in case the Pacific Company shall make default in the due and punctual payment of the principal of any bond hereby secured;

(c) or in case the Pacific Company shall make default in the due observance or performance of any other covenant or condition herein required to be observed, kept or performed by the Pacific Company, and any such default under this clause (c) hereof shall have continued for a period of six months after written notice thereof from the Trustee;

Then, and in each and every such case, the Trustee by its officers, agents or attorneys, may [but if under clause (a) or (b) only with the consent of the Grand Trunk Company in case such company shall have paid under its said guarantee of said bonds all interest and principal due thereunder] exercise each and every of the remedies, trusts and powers following:

A. It may enter into and upon all or any part of the mortgaged premises and may exclude the Pacific Company, its agents and servants, wholly therefrom, and, having and holding the same, may use, operate, manage and control the said mortgaged premises and conduct the business thereof by its superintendents, managers, receivers, agents and servants or attorneys, to the best advantage of the holders of the bonds hereby secured; and upon every such entry the Trustee, subject to the payment of the working expenditure as hereinbefore defined, of the said Lake Superior Branch shall have the right to manage the mortgaged premises, and to carry on the business and exercise all the rights and powers of the Pacific Company in relation thereto either in the name of the Pacific Company or otherwise, as the Trustee shall deem best; and the Trustee shall be entitled to collect, and to receive all tolls, earnings, income, rents, issues and profits of the same, and every part thereof; and after payment of the said working expenditure as hereinbefore defined and any other proper prior charges upon the said mortgaged premises or any part thereof, as well as just and reasonable compensation for its own services and for the services of all agents, clerks, servants and

other employees by it necessarily and properly engaged and employed, it shall apply the moneys arising as aforesaid as follows :

(1) In case the principal of the bonds hereby secured shall not have become due, to the payment of the interest in default, in the order of the maturity of the instalments of such interest, with interest thereon at the rate of four per centum per annum, such payments to be made ratably to the persons entitled thereto, without discrimination or preference.

(2) In case the principal of the bonds hereby secured shall have become due, by declaration or otherwise, first, to the payment of the accrued interest (with interest on the overdue instalments thereof at the rate of four per centum per annum) in the order of the maturity of the instalments, and then to the payment of the principal of all bonds hereby secured, such payments to be made ratably to the persons entitled thereto, without any discrimination or preference.

B. It may, with or without entry, by its officers, agents or attorneys, in its discretion (a) sell to the highest and best bidder all and singular the mortgaged premises; and any such sale or sales shall be made at public auction in the city of Montreal, in the Dominion of Canada, or in such other place and at such time and upon such terms as the Trustee may fix and specify in the notice of sale to be given as herein provided; or (b) immediately upon the expiration of the six months in the two cases indicated, and immediately upon default in payment of principal in the other case, may proceed to protect and enforce its rights and the rights of the bondholders under this indenture, by a suit or suits at law or in equity, whether for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the foreclosure of this indenture, or for the enforcement of such other appropriate legal or equitable remedy, as the Trustee, being advised by counsel learned in the law, shall deem most effectual to protect and enforce any of its rights or duties hereunder.

C. It may, with or without entry, in its discretion, lease the whole or any part of the mortgaged premises for such term or terms as it may deem expedient.

Section 3. In case the Trustee shall have proceeded to enforce any right under this indenture by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of a waiver, or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case, the Pacific Company and the Trustee shall severally and respectively be restored to their former position and rights hereunder in respect of the mortgaged premises and all the rights, remedies and powers of the Trustee shall continue as though no such proceedings had been taken.

Section 4. Upon receiving from the chairman of a meeting of the bondholders a certified copy of an ordinary resolution making a request therefor, it shall be the duty of the Trustee, upon being indemnified as hereinafter provided, to take all proper and necessary steps for the protection and enforcement of its rights and the rights of the holders of the bonds hereby secured, and to exercise the powers of entry or sale herein conferred, or both, or to take such appropriate proceedings by action, suit or otherwise, as the Trustee, being advised by counsel learned in the law, shall deem most expedient.

Section 5. Anything in this indenture contained to the contrary notwithstanding, the bondholders shall have the right from time to time by extraordinary resolution to direct and control the method and place of conducting any and all proceedings for any sale of the mortgaged premises, or for the foreclosure of this indenture, or for the appointment of a receiver, or any other proceedings hereunder.

Section 6. In the event of any sale, whether made under the power of sale hereby granted and conferred, or under or by virtue of judicial proceedings, the mortgaged premises shall be sold in one parcel and as an entirety unless the bondholders by an extraordinary resolution, (a copy of such resolution certified by the chairman of the meeting at which such resolution was passed being delivered to the Trustee) shall request the Trustee to cause said premises to be sold in parcels, in which case the sale shall be made in such parcels as may be specified in such request.

Section 7. Notice of any such sale, pursuant to any provision of this indenture, shall state the time and place when and where the same is to be made, and shall contain a brief general description of the property to be sold, and shall be sufficiently given if published once in each week for four consecutive weeks prior to such sale in *The Canada Gazette*, in a newspaper published in the city of Montreal, in a newspaper published in London, England, and in a newspaper published in the city of New York, respectively.

Section 8. The Trustee from time to time may adjourn any sale to be made by it under the provisions of this indenture, by announcement at the time and place appointed for such sale or for such adjourned sale; and without further notice or publication it may make such sale at the time and place to which the same shall be so adjourned.

Section 9. Upon the completion of any sale or sales under this indenture, the Trustee shall execute and deliver to the accepted purchaser or purchasers a good and sufficient deed, or good and sufficient deeds, of conveyance of the property and franchises sold. The Trustee and its successors are hereby appointed the true and lawful attorney or attorneys, irrevocable, of the Pacific Company, in its name and stead to make all necessary deeds and conveyances of property thus sold, the Pacific Company hereby ratifying and confirming all

that its said attorney or attorneys shall lawfully do by virtue hereof.

Section 10. Any such sale or sales made under or by virtue of this indenture, whether under the power of sale hereby granted and conferred, or under or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Pacific Company of, in and to the premises sold, and shall be a perpetual bar, both at law and in equity, against the Pacific Company, its successors and assigns, and against any and all persons claiming or to claim the premises sold, or any part thereof, from, through or under the Pacific Company, its successors or assigns.

Section 11. The personal property and chattels conveyed, or intended to be conveyed, by or pursuant to this indenture, shall be deemed to be part of the realty for all the purposes of this indenture, and shall be held and taken to be fixtures and appurtenances of the said Lake Superior Branch, and are to be sold therewith, and not separate therefrom, except as herein otherwise provided.

Section 12. The receipt of the Trustee shall be a sufficient discharge to any purchaser of the property, or any part thereof sold as aforesaid, for the purchase money, and no such purchaser, or his agents, grantees, or assigns, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this indenture, or shall, in any manner whatsoever, be answerable for any loss, misapplication or non-application of any such purchase money, or any part thereof, or be bound to inquire as to the authorization, necessity, expediency, or regularity of any such sale.

Section 13. In case of such sale, whether under the power of sale hereby granted or pursuant to judicial proceedings, the principal of all the bonds hereby secured, if not previously due, shall immediately thereupon become and be due and payable; anything in the said bonds or in this indenture contained to the contrary notwithstanding.

Section 14. The purchase money, proceeds and avails of any sale hereunder, whether under the power of sale hereby granted or pursuant to judicial proceedings, together with any other sums which may then be held by the Trustee under any of the provisions of this indenture as part of the trust estate or of the proceeds thereof shall be applied as follows:—

First. In the payment of the costs and expenses of such sale, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all expenses, liabilities, and advances necessarily made or incurred by the Trustee and of the working expenditure of the Lake Superior Branch as herein defined and in the payment of liens prior to the lien of these presents, except any taxes, assessments, or other superior liens to which such sale shall have been made subject.

Second. In case the net proceeds of such sale shall be sufficient in the payment of the whole amount then owing or unpaid for principal and interest, upon the bonds hereby secured, with interest at the rate of four per cent per annum on the overdue instalments of interest, and, in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the said bonds, then to the payment of such principal and interest, without preference or priority of principal over interest, or of interest over principal, or of any instalment of interest over any other instalment of interest, ratably to the aggregate of such principal and of the accrued and unpaid interest.

Third. The surplus, if any, shall be paid to the Pacific Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

Section 15. In case of any sale hereunder, any bondholder who becomes a purchaser shall be entitled to tender in payment on account of such purchase any bonds hereby secured, and any matured and unpaid coupons appertaining thereto, and shall be credited, on account of the purchase price of the property purchased, with the sum payable out of the net proceeds of such sale on the bonds and coupons so tendered or on the overdue coupons, as the case may be; and the amount so credited shall be endorsed thereon.

Section 16. In case there shall be any judgment outstanding against the Pacific Company then presently enforceable, or in case in any judicial proceeding by any party other than the Grand Trunk Company or the Trustee a receiver shall be appointed in respect of the mortgaged premises or a judgment be entered or order be made for the sequestration of any part of the mortgaged premises, the Trustee shall thereupon be entitled forthwith to exercise the right of entry herein conferred, and also any and all other rights and powers herein conferred and provided to be exercised by the Trustee upon the occurrence and continuance of default as hereinbefore provided, and, as a matter of right, the Trustee shall thereupon be entitled to the appointment of a receiver and manager of the mortgaged premises, with such powers as the court making such appointment shall confer.

Section 17. With the consent of the Trustee the Pacific Company may, at any time before the full payment of the principal and interest of the bonds hereby secured, and whenever it shall deem it expedient for the better protection and security of such bonds, although there may then be no default entitling the Trustee to enter into possession, surrender and deliver to the Trustee full possession of the whole or any part of the mortgaged premises for any period fixed or indefinite. Upon such surrender and delivery to the Trustee with its consent the Trustee shall enter into and upon the premises so surrendered and delivered, and shall take and receive possession thereof,

thereof, for such period, fixed or indefinite, as aforesaid, without prejudice, however, to its right at any time subsequently, when entitled thereto by any provision hereof, to insist upon and to maintain such possession, though beyond the expiration of any prescribed period. Upon any such voluntary surrender and delivery of said mortgaged premises, or of any part thereof, the Trustee from the time of its entry shall work, maintain, use, manage, control and employ the same in accordance with the provisions of this indenture, and shall receive and apply the income and revenues thereof as provided in Section 2 of this Article.

Section 18. No holder of any bond or coupon hereby secured shall have any right to institute any action, suit or proceeding at law or in equity for the foreclosure or sale of the mortgaged premises, or for the execution of any trust of this indenture, or for the appointment of a receiver, or for any other remedy hereunder, unless such holder shall have previously given to the Trustee written notice of such default and of the continuance thereof, as hereinbefore provided; nor unless also an extraordinary resolution shall have been passed at a meeting of the bondholders requesting the Trustee to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and after a copy of such resolution duly certified by the chairman of such meeting shall have been delivered to the Trustee and it shall have had a reasonable opportunity thereafter to take such action; nor unless also there shall have been offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby; and such notification, request and offer of indemnity are hereby declared, in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this indenture and to any action or cause of action, for foreclosure or sale, or for the appointment of a receiver, or manager, or for any other remedy hereunder; it being understood and intended that no one or more holders of bonds and coupons shall have any right in any manner whatever to affect, disturb or prejudice the lien of this indenture by his or their action, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided, and for the equal benefit of all holders of such outstanding bonds.

Section 19. Except as herein expressly provided to the contrary, no remedy herein conferred upon, or reserved to, the Trustee, or to the holders of bonds hereby secured, is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

Section 20. No delay or omission of the Trustee, or of any holder of bonds hereby secured to exercise any right or power accruing

accruing upon any default continuing as aforesaid, shall impair any such right or power, or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given to the Trustee or to the bondholders, may be exercised from time to time, and as often as may be deemed expedient by the Trustee or by the bondholders respectively.

ARTICLE NINE.

CONCERNING THE TRUSTEE.

Section 1. The Pacific Company shall pay all costs, charges and expenses necessarily and properly incurred by the Trustee in performing the trusts herein contained, including therein remuneration to the Trustee and remuneration, salary or fees necessarily and properly paid by the Trustee to any counsel, solicitors, attorneys, agents or other persons employed by it, and, also (in addition to any right of indemnity by law given to the Trustee) shall, at all times keep indemnified the Trustee against all actions, proceedings, costs, claims and demands in respect of any matter or thing lawfully done or omitted in anywise relating to the trusts hereby created. The Trustee may retain and pay to itself out of any moneys in its hands, subject to the trusts hereof, the amount of such remuneration as for the time being may be due to it, and of such costs, charges and expenses as aforesaid.

Section 2. All costs, charges and expenses incurred and payments made by the Trustee or by its agents, attorneys or servants in the lawful exercise of the powers hereby conferred, including all such remuneration, salary or fees as shall necessarily and properly be paid to any counsel, solicitor, attorney, agent, or other persons employed by it, shall be payable by the Pacific Company on demand, and all such costs, charges, expenses and payments, and any interest thereon and all remuneration payable to the Trustee hereunder shall be a charge on the mortgaged premises.

Section 3. The Trustee shall not be bound to take any step to enforce the performance of any of the covenants on the part of the Pacific Company in these presents contained, unless, upon request in writing by the Grand Trunk Company or upon request of the bondholders evidenced by an extraordinary resolution passed at a meeting of the bondholders and the delivery to the Trustee of a copy duly certified by the chairman of such meeting, and then only if it shall be indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable, and all costs, charges, damages and expenses which it may incur by so doing.

Section 4. The Trustee may, except as herein otherwise provided, from time to time and at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Pacific Company of any of the covenants in these presents contained, and no waiver or license by the Trustee of any breach of any covenant or condition of this indenture shall affect or impair the rights of the Trustee to enforce such covenant or condition in case of any subsequent breach thereof.

Section 5. The Trustee shall not be liable for or by reason of any failure or defect of title to or any encumbrance upon the mortgaged premises, or for or by reason of the statements of facts or recitals in this mortgage or in the bonds contained, or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Pacific Company only.

Section 6. The Trustee shall not be responsible for any neglect or default on the part of any servant or agent appointed by it if selected with reasonable care, nor for any error or mistake made in good faith.

Section 7. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor now held or hereafter acquired by the Pacific Company, and whether falling within a general or specific description of property hereunder, is hereby excepted out of the assignment or transfer of such lease or agreement hereby made, and does not and shall not form part of the mortgaged premises.

And it is hereby further declared and agreed that after any sale made under the powers herein contained of any leasehold interest forming part of the mortgaged premises, the Pacific Company shall stand possessed of the premises sold for the last day of the term granted by the lease thereof or agreement therefor in trust for the purchaser or purchasers, his or their executors, administrators and assigns, to be assigned and disposed of as he or they may direct.

Section 8. The Trustee or any Trustee hereafter appointed may resign and be discharged from the trusts created by this indenture by giving notice in writing of such resignation to the Pacific Company and to the Grand Trunk Company and by publication of such notice at least once a week for four successive weeks in *The Canada Gazette*, and in a newspaper published in the city of Montreal.

The Trustee may be removed at any time by an extraordinary resolution passed at a meeting of the bondholders and the delivery to it of a copy of such resolution duly certified by the chairman of such meeting; but no such removal shall be made before default hereunder without the written consent of the Pacific Company and the Grand Trunk Company.

Section 9. In case the Trustee or any Trustee hereafter appointed shall at any time resign or be removed or otherwise

become incapable of acting, a successor may be appointed by an extraordinary resolution passed at a meeting of the bondholders and the delivery to such successor of a copy of such resolution duly certified by the chairman of such meeting: Provided, nevertheless, that in case there shall at any time be a vacancy in the office of Trustee hereunder, the Pacific Company and the Grand Trunk Company may by an instrument executed by order of their respective Boards of Directors appoint a Trustee to fill such vacancy, until a new Trustee shall be appointed by the bondholders, as herein authorized. The Pacific Company shall thereupon publish notice of the appointment of such trustee by the said companies once a week for four successive weeks in *The Canada Gazette* and in a newspaper published in London, England. Any new trustee so appointed by the Pacific Company and the Grand Trunk Company shall, immediately and without further act, be superseded by a trustee appointed, as aforesaid, by an extraordinary resolution; provided that such appointment be made by the bondholders within six months after the last publication of such last mentioned notice; otherwise the trustee so appointed by the Pacific Company and the Grand Trunk Company shall continue to act hereunder.

Any such new trustee appointed hereunder shall execute, acknowledge and deliver to the trustee last in office, and also to the Pacific Company, an instrument accepting such appointment hereunder, and thereupon such new trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts, duties and obligations of the trustee under this indenture with like effect as if originally named as trustee herein, but the trustee ceasing to act shall, nevertheless, on the written request of the new trustee, execute and deliver an instrument transferring to such new trustee, upon the trusts herein expressed, all its interest in the estates, properties, rights, powers and trusts of the trustee so resigning or removed and, upon the request of any such new trustee, the Pacific Company and the Grand Trunk Company shall make, execute, acknowledge and deliver any and all deeds, conveyances or instruments in writing for more fully and certainly vesting in and confirming to such new trustee all such estates, properties, rights, powers and trusts.

Upon every such appointment of a new trustee hereof, as aforesaid, the trust property shall, if and so far as the nature of the property and other circumstances shall require or admit, be deemed to be transferred so that the same shall without further or other conveyance or assignment be vested in the Trustee hereof for the time being.

ARTICLE TEN.

CONCERNING MEETINGS OF BONDHOLDERS.

Section 1. Meetings of bondholders may be held as herein-after provided, but, so long as the Grand Trunk Company shall continue to pay, according to the tenor and effect of this indenture, the interest upon bonds of which the principal is not due, and so long as there shall not be any other default of the Pacific Company upon such bonds or in the performance of any of the covenants contained herein with respect to such holders of bonds, continuing beyond any period of grace provided for by this indenture, no meeting of bondholders shall be held without the consent of the Grand Trunk Company, expressed by an instrument in writing, and neither the Pacific Company nor the Trustee shall convene such meeting until such consent shall have been first obtained.

In the following sections of this Article, wherever the word "bondholder" or "bondholders" is used, it shall be deemed to mean and include the Grand Trunk Company, in every case where, under the provisions of this mortgage, the Grand Trunk Company shall be entitled to represent and exercise the rights of holders of bonds of which as guarantor it shall have paid the interest, in which case the Grand Trunk Company shall establish its right of voting by the certificate of the Trustee or of any Bank or Trust Company approved by the Trustee stating that the Grand Trunk Company is the holder of the coupons representing an instalment or instalments, of overdue interest in respect of the bonds, describing them by their numbers respectively.

Section 2. Subject to the provisions of Section 1 of this Article the Trustee or the Pacific Company may respectively, and the Trustee shall, at the request in writing of persons holding not less than one-fourth of the amount of the bonds at the time outstanding, at any time convene a meeting of the bondholders. Such meeting shall be held at such place in the city of Montreal, in London, England, or in the city of New York, as the Trustee shall determine.

Section 3. Notice of any meeting, specifying the place, day and hour of meeting and the general nature of the business to be transacted shall be given to the bondholders by publication at least once a week for four successive weeks in *The Canada Gazette* and in a newspaper published in London, England, in a newspaper published in the city of New York and in a newspaper published in the city of Montreal. It shall not be necessary to specify in any such notice the terms of the resolutions to be proposed. A copy of such notice shall also be sent by post to the Trustee (unless the meeting shall be convened by it) at least two weeks before the day appointed for holding the meeting.

Section 4. At any such meeting persons holding or representing by proxy one-fourth of the amount of the bonds for the time being outstanding, shall form a quorum for the transaction of business other than business requiring the sanction of an extraordinary resolution as hereinafter provided. If within half an hour from the time appointed for any meeting of the bondholders a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same hour and place, and if at such adjourned meeting a quorum is not present, the meeting shall be dissolved.

Section 5. Some person nominated in writing by the Trustee shall be entitled to take the chair at every such meeting, and, if no such person is nominated, or if, at any meeting, the person nominated shall not be present within fifteen minutes after the time appointed for holding the meeting, the bondholders present shall choose one of their number to be chairman.

Section 6. Every question submitted to a meeting of the bondholders shall be decided, in the first instance, by a show of hands, and in case of an equality of votes, the chairman shall, both on a show of hands, and at the poll, have a casting vote, in addition to the vote or votes (if any) to which he may be entitled as a bondholder.

Section 7. At any such meeting of bondholders, unless a poll is demanded in writing by one or more of the bondholders holding, or representing by proxy one-twentieth of the amount of the bonds for the time being outstanding, a declaration by the Chairman that a resolution has been carried, or carried by any particular majority, or lost, shall be conclusive evidence of the fact.

Section 8. If, at any meeting, a poll is demanded as aforesaid, it shall be taken in such manner, and either at once or after an adjournment, as the chairman directs, and the result of such poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

Section 9. The chairman may, with the consent of any such meeting, adjourn the same from time to time.

Section 10. No poll shall be demanded on the election of a chairman, or on any question of adjournment.

Section 11. At any such meeting each bondholder shall be entitled upon a poll, to one vote in respect of every principal sum of £100 sterling, secured by the bonds registered in his name in the books of the Pacific Company, or of which he is the bearer, and no person shall be entitled to vote or shall be recognized as the legal holder of bonds, except

(1) registered holders of bonds or persons appointed as their proxies respectively, as hereinafter provided ;

(2) bearers of bonds not registered ;

(3) persons holding a certificate under the hand of the Trustee or of any Bank or Trust Company approved by the Trustee stating that the holder of the certificate is entitled to the bonds described therein by their numbers respectively ;

(4) Persons representing the Grand Trunk Company and holding its proxy in the cases provided for by section 1 of this Article.

Section 12. The instrument appointing a proxy shall be in writing under the hand of the appointor, or, if such appointor is a corporation, under the common seal or under the hand of some officer duly authorized in that behalf, and any such instrument may be in the form following :—

THE GRAND TRUNK PACIFIC RAILWAY COMPANY.

I,
of
in the county of
being a holder of Lake Superior Branch Four Per Cent First
Mortgage Sterling Bonds, due 1955, of the above Company,
guaranteed by the Grand Trunk Railway Company of Canada,
hereby appoint
as my proxy, to vote for me and on my behalf at the meeting
of the said bondholders, to be held on the
day of and at any adjournment thereof.
Dated this day of

(Signed)

Section 13. Except where under the provisions of section 1 of this Article a proxy is appointed on behalf of the Grand Trunk Company, no person or corporation other than the Trustee shall be appointed as a proxy who is not a bondholder or a director of a corporation which is a bondholder.

Section 14. The instrument appointing a proxy shall be deposited at such place as the Trustee or the Pacific Company may in the notice convening the meeting direct, or in case there is no such place appointed, then at the head office of the Pacific Company in the city of Montreal, or at the office of the Pacific Company in London, England, or at the office of the Pacific Company in the city of New York, according as the meeting is convened to be held in Montreal, or London, or New York, respectively, not less than forty-eight hours before the time for holding the meeting at which the person named in such instrument proposes to vote, but no instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution, and no proxy shall be used at any adjourned meeting which could not have been used at the original meeting.

Section 15. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal, or revocation of the proxy, or transfer of the bonds in respect of which the vote is given, unless notice, in writing, of such death, insanity, revocation or transfer shall have been received at the office of the

Pacific Company at the place where the meeting is appointed to be held, at least forty-eight hours before the time appointed for holding the meeting.

Section 16. Where there are joint registered holders of any bond or bonds, any one of such persons may vote at any such meeting either personally or by proxy in respect of such bond or bonds, as if he were solely entitled thereto, but, if more than one of such joint holders be present at any meeting, personally or by proxy, that one of such persons so present whose name stands first on the register in respect of such bond or bonds shall alone be entitled to vote in respect thereof.

Section 17. A meeting of the bondholders shall, in addition to the powers in these presents hereinbefore specifically given, have the following powers, exercisable by extraordinary resolution as hereinafter defined, namely:—

(1) Power to sanction the surrender or release of any of the mortgaged premises.

(2) Power to sanction any modification or compromise of the rights of the bondholders against the Pacific Company or the Grand Trunk Company or against the property of either, whether such rights shall arise under these presents or otherwise.

(3) Power to assent to any modification of the provisions contained in these presents which shall be proposed by the Pacific Company and assented to by the Grand Trunk Company and the Trustee.

Section 18. The expression “extraordinary resolution,” when used in these presents, means a resolution passed by a majority consisting of holders of not less than three-fourths in value of the bonds held by those present in person or by proxy and entitled to vote at a meeting of the bondholders duly convened and held in accordance with the provisions herein contained, at which there shall be present in person or by proxy holders of not less than two-thirds in value of the bonds for the time being outstanding. The expression “ordinary resolution,” when used in these presents, means any other resolution duly passed at a meeting of bondholders duly convened and held in accordance with the provisions herein contained.

ARTICLE ELEVEN.

ACCEPTANCE OF TRUST, EXECUTION AND DEPOSIT OF MORTGAGE.

Section 1. The National Trust Company, party hereto of the second part, hereby accepts the trusts in this indenture declared and provided as herein set forth.

Section 2. This indenture may be executed in five counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

Section 3. This indenture when executed shall be deposited by the Pacific Company in the office of the Secretary of State for the Dominion of Canada and notice thereof shall be given by the Pacific Company in *The Canada Gazette* immediately after such deposit, and this indenture is not required to be registered elsewhere or in any other manner.

In witness whereof the parties hereto of the first, second and third parts have duly caused these presents to be executed and their respective corporate seals to be hereunto affixed the day and year first above written.

THE GRAND TRUNK PACIFIC RAILWAY

COMPANY,



by
CHAS. M. HAYS,
President.
HENRY PHILIPS,
Secretary.

NATIONAL TRUST COMPANY, LIMITED,



by
Z. A. LASH,
Vice-President.
W. E. RUNDLE,
Secretary.

THE GRAND TRUNK RAILWAY COMPANY

OF CANADA,



by
CHAS. M. HAYS,
Second Vice-President and General Manager.

OTTAWA: Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 99.

An Act respecting the Great Northern Railway of Canada.

[Assented to 20th July, 1905.]

WHEREAS the Great Northern Railway of Canada has, by Preamble.
its petition, prayed that it be enacted as hereinafter set
forth, and it is expedient to grant the prayer of the said peti-
tion: Therefore His Majesty, by and with the advice and con-
sent of the Senate and House of Commons of Canada, enacts
as follows:—

1. This Act may be cited as *The Great Northern Railway* Title of Act.
Act, 1905.

2. The Great Northern Railway of Canada, hereinafter Line of
called "the Company," may construct and operate a line of railway
railway from a point on its constructed line at or near Grand' authorized.
Mère to its terminals in the city of Quebec, with a branch
line from the line or location hereby authorized to the bridge 1887, c. 98.
of the Quebec Bridge Company.

3. The limit to the amount of securities which the Com- Issue of
pany may issue and secure under sections 111 to 115, both securities.
inclusive, of *The Railway Act, 1903*, shall, with respect to the
lines hereby authorized, be twenty thousand dollars per mile
of such lines, and such securities may be issued only in pro-
portion to the length of railway constructed or under contract
to be constructed.

4. Unless the Company commences within two years, and Time for
completes and puts in operation within five years, after the construction
passing of this Act, the lines of railway which the Company of railways
is authorized to construct, the powers granted for construction limited.
shall cease with respect to so much of the said lines as then
remains uncompleted.

5. Subject to the provisions of sections 281 to 283, both Agreements
inclusive, of *The Railway Act, 1903*, the Company may enter with other
VOL. II—18½ 275 into companies.

into agreements, for any of the purposes mentioned in the said section 281, with the Chateauguay and Northern Railway Company and the Quebec, New Brunswick and Nova Scotia Railway Company, or either of them, and may also enter into agreements with the Canadian Northern Railway Company and the James Bay Railway Company, or either of them, to lease its lines and leased lines or any of them, and to give the said companies running powers thereover.

Mortgage in
schedule
confirmed.

6. The mortgage set out in the schedule to this Act, and the securities issued or to be issued thereunder, are hereby confirmed and declared to be valid and effectual according to the terms thereof.

Power to issue
additional
bonds.

7. The Company may, pursuant to clause 13 of the said mortgage, increase the issue of bonds authorized by such mortgage by the issue of additional bonds to the amount of five hundred thousand dollars par value of principal, provided that such additional bonds shall be issued only from time to time as expenditure is made by the Company for right of way within the limits of the city of Quebec to connect with its terminals there, and upon its terminals in the said city, including the acquisition of additional property for the said terminals, and then only to the amount of the said bonds at par of principal which would equal the sum so expended, and such additional bonds shall be deemed to be bonds secured under the said mortgage as if they formed part of the issue therein provided for.

Proviso.

SCHEDULE.

THIS INDENTURE made the first day of April in the year of Our Lord one thousand nine hundred and five.

Between Great Northern Railway of Canada, a body politic and corporate, having its head office or principal place of business at the city of Quebec, hereinafter called the Company, of the first part: and The Central Trust Company of New York, a corporation created under the laws of the State of New York, U.S.A., hereinafter called the Trustee, of the second part: and The Canadian Northern Railway Company, a company incorporated by Acts of the Parliament of Canada, hereinafter called the Canadian Northern, of the third part;

Whereas the Company was duly incorporated by the Legislature of the Province of Quebec under the name of The Great Northern Railway Company, and subsequently by Act of the Parliament of Canada its work was declared to be a work for the general advantage of Canada, and by a subsequent Act of the Parliament of Canada its name was changed from The Great Northern Railway Company to Great Northern Railway of Canada.

And whereas pursuant to the powers conferred upon it, the Company under its former name made a bond issue designated

Series "A" at the rate of \$20,000 per mile of its lines of railway and secured the same by indenture of mortgage dated first January, 1900, made to The Central Trust Company of New York, above mentioned, as trustee;

And whereas in further pursuance of the powers conferred upon it, the Company, under its former name, made a bond issue designated Series "B" for the sum of \$500,000 and secured the same upon its bridge over the Ottawa River by indenture of mortgage dated first January, 1900, made to the said The Central Trust Company of New York, as trustee;

And whereas by chapter 62 of the statutes of Canada for the year 1901 it was enacted that the said bonds series "A" and series "B" issued by the Company should all rank equally *pari passu* both upon the railway of the company and the bridge over the Ottawa River, and that the revenues of both the railway and bridge should be treated and considered as one security for all bonds of both series "A" and "B."

And whereas in further pursuance of the powers conferred upon it the Company under its present name made a bond issue designated Terminal and Postal Bonds for the sum of \$300,000, and secured the same upon its terminal property in the city of Quebec and upon certain mail and colonization subsidies, by indenture of mortgage dated the eighth day of December, 1900, made to The Royal Trust Company of Montreal, as trustee;

And whereas there were actually issued and are now outstanding of the bonds above mentioned the following, viz.:

Series "A" to the amount of \$4,162,000.

Series "B" to the amount of \$500,000.

Terminal and postal bonds to the amount of \$173,000.

And whereas the Company, being desirous of readjusting its financial situation and consolidating the said bond issues and the securities therefor, has determined to provide for a new issue of bonds to take the place of those above mentioned and to be exchanged therefor in the manner hereinafter set forth: the amount of such new issue to be limited as hereinafter mentioned, and the bonds of the new issue to be certified and issued as below provided;

And whereas the payment of the principal and interest of the bonds hereby secured to an amount not exceeding \$4,962,000 is to be guaranteed by The Canadian Northern Railway Company.

And whereas all necessary and requisite resolutions of the directors and shareholders of the Company have been duly passed, so as to make the issue of bonds hereby secured and the execution of these presents legal and valid in accordance with the requirements of the statutes relating to the Company, and of all other statutes and laws in that behalf;

Now this indenture witnesseth—

1. Whenever in these presents the Company is mentioned or referred to such mention or reference shall extend to and

include its successors and assigns, and wherever the Trustee is mentioned or referred to, such mention or reference shall extend to and include its successors and assigns or any other new trustee or trustees who may be appointed or succeed to the trusts hereof, and wherever the Canadian Northern is mentioned or referred to such mention or reference shall extend to and include its successors and assigns. Persons shall include corporations, and the singular number shall include more than one.

2. For value received and for the purpose of securing the bonds to be certified and issued under the provisions of this indenture, and subject to the terms and conditions hereinafter contained, the Company does hereby grant, convey, assign, transfer and set over unto the Trustee the railways, properties and assets, rights, franchises and powers, tolls and incomes of the Company mentioned or referred to in the Schedule "A" hereto annexed, which schedule is hereby made part of this indenture; the said railways, properties and assets, rights, franchises and powers, tolls and incomes being hereafter called or referred to as the mortgaged premises.

Provided always, and it is hereby declared that any subsidies or bonuses or assistance in land, money or otherwise which may be given by the Government of Canada or of the Province of Quebec, or by any municipality, in aid of the construction or acquisition of any lines of railway hereafter constructed or acquired by the Company and any such lines not included among the lines in respect of the mileage of which bonds secured hereby may be issued as below mentioned, and the properties, equipments, tolls, incomes, revenues, privileges, franchises and powers of the Company in connection with such lines and in connection with operating, repairing and maintaining the same are hereby expressly excepted and reserved from this indenture and from the charges hereby created.

3. The total amount of bonds, par value of principal, secured hereby shall not exceed in all the total sum represented by the following, viz.:

The sum of \$4,962,000, being

(a) \$4,162,000 in lieu of bonds series "A."

(b) \$500,000 in lieu of bonds series "B."

(c) \$300,000 in lieu of the Terminal and Postal bonds.

And the sum represented by \$20,000 per mile of the Company's lines of railway and branches hereafter constructed or acquired: provided always that the bonds to be issued with respect to such lines or branches hereafter constructed or acquired shall be issued only with the written consent of the Canadian Northern, and shall be limited to one hundred and fifty miles in all of such lines and branches.

4. The bonds secured by these presents are and shall be all bonds certified by the Trustee and issued from time to time, forming part of said total issue, and whether first certified

and issued, or hereafter certified and issued, from time to time; and all such bonds shall be secured hereby in accordance with the terms hereof, but until so certified no bond shall be entitled to the security hereof or be binding upon the Company.

5. The bonds secured hereby shall be dated the first day of October, 1904; the principal money thereof shall be payable on the first day of October, A.D. 1934, with interest at the rate of four per cent per annum, payable half-yearly on the first days of April and October in each year during the currency of said bonds; the interest to be represented by coupons to be attached to the bonds. The place of payment of principal shall be at the office of the Central Trust Company of New York in the city of New York. The places of payment of interest shall be at the office of the Canadian Bank of Commerce in New York or at the chief office of the said bank in Toronto, Canada, at the option of the holder. Some of the bonds may be for \$1,000 each, some for \$750 each, some for \$500 each, and some for \$250 each, so as to provide for the convenient exchange thereof for outstanding bonds of series "A" and series "B", and Terminal and Postal bonds as hereinafter provided for. Bonds of denominations less than \$1,000, which together amount to \$1,000, or any multiple of said sum, may be exchanged for bonds aggregating the same amount each of the par value of \$1,000, upon the surrender of the said bonds, the denominations of which are less than \$1,000, to the Trustee for cancellation.

6. The form of bond shall be as follows or to the like effect:

GREAT NORTHERN RAILWAY OF CANADA.

Incorporated under Acts of the Parliament of Canada.

No.....

\$.....

First Mortgage Guaranteed Gold Bond.

Great Northern Railway of Canada for value received hereby promises to pay to the bearer, or if registered, to the registered holder hereof, the sum of
dollars in lawful money of Canada, or if demanded, in gold coin of or equal to the present standard of weight and fineness in the United States of America on the first day of October, A.D. 1934, at the office of the Central Trust Company of New York, in New York City, with interest thereon at the rate of four per cent per annum, payable half yearly at the office of the Canadian Bank of Commerce in New York City or at the chief office of the said bank in Toronto, Canada, at the holder's option in like money, on the first days of April and October in each year on presentation and surrender of the interest coupons hereto annexed as they severally become due and payable. This bond is one of a

series of bonds some for \$1,000, some for \$750, some for \$500 and some for \$250, and each of like date, tenor and effect, issued and to be issued, and limited in the aggregate to the sum of \$4,962,000, in respect of the Company's existing railways, bridges, terminals and property, and to the sum of \$20,000 per mile of the Company's railways hereafter constructed or acquired, and not exceeding in all one hundred and fifty miles. The payment of the principal and interest of the said series of bonds is secured by a mortgage to The Central Trust Company of New York, as trustee, covering the Company's existing railways, bridges, terminals and property, and the railways, bridges, terminals and property hereafter constructed or acquired and in respect of which bonds of the said series may be hereafter issued, including in each case the present and future equipment, revenues, tolls, income, real and personal property thereof, the whole as appears by the terms of the said mortgage.

This series of bonds may be increased by the issue of additional bonds to the amount not exceeding five hundred thousand dollars (\$500,000) par value of principal if such increase be authorized by the Parliament of Canada, as provided in said mortgage.

The whole of the issue of which this bond forms a part which may be then outstanding may be redeemed by the Company on any first of April or first of October on or prior to October 1st, 1914, upon payment of the principal and accrued interest upon notice of the intention to redeem being given in the manner provided in the said mortgage.

This bond shall pass by delivery, but it may be registered in a book to be kept by the Trustee at its office in New York, after which no transfer except upon such book at the place of registry will be valid, but it is not to be deemed registered until the name of the holder is registered on the back of the bond as well as in the said book. A transfer in favour of the bearer may subsequently be registered, after which this bond shall be transferable by delivery alone until again registered in the name of the holder. Notwithstanding registration the interest coupons shall continue payable to bearer.

This bond is subject to the terms of said mortgage, and shall not become obligatory until it shall be certified by the Trustee for the time being under the said mortgage by the certificate provided hereon.

In witness whereof Great Northern Railway of Canada has caused its seal to be hereto affixed, and these presents to be signed by its President or one of its Vice-Presidents and countersigned by its Secretary, this first day of October, one thousand nine hundred and four.

[SEAL.]

.....
President.
.....
Secretary.
INTEREST

280

INTEREST COUPON.

No.....

\$.....

Great Northern Railway of Canada will pay to the bearer on the day of at the office of The Canadian Bank of Commerce, New York City, or at the chief office of the said bank, Toronto, Canada, at holder's option, the sum of either in lawful money of Canada or gold coin of the United States, as the bearer may elect, being half-yearly interest on Bond No.....

.....
Secretary.

TRUSTEE'S CERTIFICATE.

This bond is certified to be one of the series therein mentioned.

THE CENTRAL TRUST COMPANY OF NEW YORK,

.....
Vice-President.

GUARANTEE.

The Canadian Northern Railway Company hereby guarantees to the holder for the time being of this bond, the payment of the principal and the interest thereof according to the tenor of this bond and of the interest coupons annexed.

THE CANADIAN NORTHERN RAILWAY COMPANY.

By.....

7. The whole of the bonds hereby secured as may be then outstanding may be called for redemption by the Company on any first day of April or first day of October on or prior to October 1, 1914, on payment of the principal and accrued interest, upon the Company giving notice by letter or circular, posted to all registered bondholders addressed to their last addresses appearing upon the registry book at least sixty days before the day specified for redemption. Such notice shall also be published once a week for three successive weeks prior to the date specified for redemption in *The Canada Gazette* and in one newspaper in each of the cities of Toronto, Montreal and New York, and thereupon after the date so specified, interest on the whole series of bonds shall cease, unless payment thereof with accrued interest to the date of redemption shall not be made on presentation at the office of The Central Trust Company of New York in New York City on or after the day so specified for redemption. Upon payment the bonds

and all unpaid interest coupons thereof shall be surrendered. Upon presentation to the Trustee, cancelled, of all the bonds and unpaid coupons hereby secured which at the time shall have been issued and are outstanding, or upon presentation of a portion thereof, cancelled (all of said bonds having been duly called for payment in accordance with the terms hereof), and a deposit with the Trustee by the Company of a sum of money sufficient to pay all of the said bonds and accrued interest, which have not been presented in accordance with the call therefor, and upon payment also of all reasonable charges and expenses of the Trustee and its counsel, the Trustee shall cancel and discharge this mortgage or deed of trust as fully and to the same effect as if the total issue of said bonds and coupons had been duly paid by the Company at the maturity thereof. The bonds called and redeemed under this paragraph, together with the coupons thereto belonging, shall be forthwith cancelled by the Trustee, and upon written demand delivered with the coupons attached to the Company.

8. The signature of the Secretary holding office at the date of this indenture may be engraved upon the coupons to the bonds hereby secured and such engraved signature shall be valid and binding upon the Company notwithstanding that such person may not be Secretary when the bonds are delivered.

The said bonds or any of them may be signed by the President or a Vice-President of the Company and by the Secretary holding office at the time of signing, and notwithstanding any change in any of the persons holding office between the time of actual signing and the delivery of the bonds, and notwithstanding that the President or Vice-President or Secretary signing may not have held office at the date of said bonds, the bonds so signed and delivered shall be valid and binding upon the Company.

9. Provided always and these presents are upon this express condition, that if the Company shall well and truly pay to the lawful holders of the said bonds and of the coupons thereto attached the amount of such bonds and coupons as the same shall respectively become due and payable, and also do pay all rates, taxes and charges whatsoever payable, upon or in respect of the said mortgaged premises, and shall observe and perform the covenants herein contained, then the mortgaged premises shall revert to and revest in the Company without any acknowledgment of satisfaction, release, acquittances, reconveyance, re-entry or other act or formality whatever, and the Company shall thereupon become entitled to possession of the said bonds, but in such case and whenever the moneys mentioned in the said bonds and interest thereon as aforesaid are paid, and satisfactory evidence shall be given to the Trustee of such payment, and upon payment also of the reasonable charges and expenses of the Trustee and its counsel, it shall nevertheless be the duty of such Trustee, at the expense of the Company, to execute, acknowledge, and deliver to the Company,

pany, on demand, a full release, acquittance and discharge of all the liabilities aforesaid and a full release and reconveyance of all and singular the mortgaged premises. Provided also that until default for the periods hereinafter specified in that behalf shall be made in the payment of the principal or interest of the said bonds hereby secured, or of some one or more of them, or in respect of something herein required to be done, or some condition or covenant to be performed by it, the Company and its assigns shall be suffered and permitted to possess, manage and enjoy the mortgaged premises and to take and use the rents, incomes, profits, tolls and issues thereof, in the same manner and with the same effect as if this deed had not been made, but subject or to be subject nevertheless to the lien of these presents, and to the express provisions hereof.

10. Bonds secured hereby to the amount of \$1,962,000 being the total amount of said Series "A" and Series "B" and Terminal and Postal Bonds, are to be made ready for issue and delivery, and the Canadian Northern is to guarantee the payment thereof. Such bonds to the amount at par of principal of \$4,962,000 with the guarantee thereon executed by The Canadian Northern Railway Company shall be deposited with the Trustee.

11. Pending the preparation of engraved bonds the Company may issue and the Canadian Northern may guarantee and the Trustee may certify and deliver printed bonds without coupons for such amounts each as may be deemed convenient, but not exceeding in the whole the total amount above mentioned, such printed bonds to be exchanged for engraved bonds with coupons when ready, but to be cancelled or destroyed before or contemporaneously with the exchange for the engraved bonds.

12. The bonds secured hereby are to be certified and delivered by the Trustee as follows :—

(A) Bonds to the amount of \$4,835,000 which sum equals the amount of the outstanding bonds of Series "A" and Series "B" and outstanding Terminal and Postal Bonds, shall be certified by the Trustee, and delivered as follows :—

(1) For each \$1,000 par value of the outstanding bonds of Series "A" and Series "B" there shall be delivered in exchange \$750 par value of the bonds hereby secured.

(2) For each \$1,000 par value of the outstanding Terminal and Postal Bonds there shall be delivered \$1,000 par value of the bonds hereby secured.

To entitle the holders of the bonds of Series "A" and Series "B" and of the Terminal and Postal bonds to receive bonds hereby secured in exchange therefor as above mentioned, the said bonds of Series "A" and Series "B" and Terminal and Postal Bonds shall be surrendered to the Trustee in negotiable form, and shall be accompanied by all the interest coupons thereof, except those maturing prior to December, 1904. All

the interest coupons of the bonds secured hereby and so given in exchange shall accompany such bonds.

(3) After retaining on hand \$3,669,500 of bonds hereby secured ready for exchange in accordance with the foregoing terms, the balance of said \$4,962,000 of bonds shall to the extent of \$1,165,500 be certified by the Trustee, and delivered to the Company or to its order from time to time; and the Company covenants with the Trustee that such bonds shall be used by the Company for the following purposes, viz. :

(a) To pay and discharge the claims and liens upon rolling stock and equipment of the Company.

(b) To pay and discharge the claims and liens for balance of purchase money of its Louise Wharf property, forming part of its terminal property in the city of Quebec.

(c) To pay the half-year's interest which matured July 1st, 1904, on the said bonds Series "A" and "B" and Terminal and Postal Bonds which are received in exchange for bonds hereby secured in accordance with the foregoing provisions.

(d) To pay, secure or otherwise adjust and arrange the general indebtedness of the Company.

(e) After the foregoing then for other proper purposes of the Company and for no other purposes.

(B) The remaining \$127,000 of bonds shall be certified and delivered to the Company or its order from time to time as expenditure is made by the Company upon its terminals in the city of Quebec, including the acquisition of additional property for such terminals and the amount paid in discharge of the said claim for balance of purchase money of Louise Wharf property, and then only to the amount which at 90 would equal the sum so expended; the Trustee may act upon the certificate of the president or a vice-president and treasurer of the Company, and such certificate shall be conclusive in favour of the Trustee in respect to the truth of all statements therein set forth and required to exist prior to the certification and delivery of bonds under this subdivision.

(C) Bonds representing \$20,000 per mile of the Company's lines of railway and branches hereafter constructed or acquired from any other railway company and not exceeding in all one hundred and fifty miles shall from time to time upon the written consent of the Canadian Northern be certified by the Trustee hereunder, and delivered to the Company or to its order as follows:—With respect to lines constructed such bonds shall be delivered as the work of construction is proceeded with, and in such proportions from time to time as said Trustee may decide, having regard to the proportion of work done as compared with the whole work done and to be done, and the balance shall be certified and delivered on the completion of the said lines. In deciding upon the proportion of bonds to be delivered from time to time in accordance with this clause, the said Trustee may act upon the certificate of the

Company's engineer in charge of the works and the treasurer of the Company; and the said lines shall be deemed to have been completed within the meaning of the foregoing if the Board of Railway Commissioners for Canada has given leave that the same may be opened for the carriage of traffic under the terms of *The Railway Act*, 1903, in that behalf. With respect to lines acquired from another railway company, such bonds shall be delivered upon such lines being acquired, and upon the written consent of the Canadian Northern consenting to such delivery being deposited with the Trustee.

13. The Company may with the consent of the Canadian Northern apply to the Parliament of Canada for authority to increase the issue of bonds authorized by this indenture by the issue of additional bonds to the amount of \$500,000, par value of principal, provided that such additional bonds shall be issued only from time to time as expenditure is made by the Company for right of way within the limits of the city of Quebec to connect with its terminals there and expenditure upon its terminals in said city, including the acquisition of additional property for said terminals, and then only to the amount of said bonds at par of principal which would equal the sum so expended; and such additional bonds if authorized by Parliament shall be deemed to be bonds hereby secured as if the same formed part of the issue herein provided for.

14. Save as otherwise provided coupons for interest matured at the date of delivery by the Trustee of bonds hereunder, shall be detached from the same and cancelled before delivery.

15. To the extent of the outstanding bonds of series "A" and series "B" and of the outstanding Terminal and Postal bonds, the bonds hereby secured are a consolidation of such bonds, and to the same extent this mortgage is a consolidation of the mortgages securing such outstanding bonds. The bonds of said series "A" and series "B" and Terminal and postal bonds received in exchange shall not be reissued, but shall be cancelled: provided however that any bonds being part of said series "A" and series "B" and of said Terminal and Postal bonds which are received in exchange shall be retained by the Trustee until the outstanding bonds of said series "A" and series "B" and of said Terminal and Postal bonds respectively have been respectively received in exchange as aforesaid. The Trustee, however, may upon request of the Canadian Northern cancel and surrender all of the said series "A" or series "B" or Terminal and Postal bonds for the purpose of obtaining the satisfaction of the mortgage securing the issue of bonds so surrendered. The bonds so received shall in the hands of the Trustee until cancelled inure to the benefit of the holders of the bonds hereby secured: provided further that no further bonds of said series "A" and "B" or of said Terminal and Postal bonds than those now outstanding shall be issued under the terms of the mortgage securing the same or shall be certified by the Trustee of such mortgages.

16. The security hereby constituted shall become enforceable in each and every of the events following, hereinafter called the events of default, that is to say :

(a) If default shall be made in the payment of the interest or any instalment of interest on any of the said bonds when and as the same shall become payable, as therein and herein expressed, and such default shall continue for the space of three months ;

(b) If default shall be made in the payment of the principal of any of the said bonds when and as the same shall become due and payable by their terms, or by any declaration or otherwise ;

(c) If default shall be made by the Company in the observance or performance of any other of the covenants, conditions and agreements in this indenture contained, and the Company shall not within three months after written notice specifying such default and requiring the Company to remedy the same shall have been served upon the Company by the Trustee comply with the covenant, condition or agreement not observed or performed if then capable of being complied with, or otherwise make good the breach to the satisfaction of the Trustee.

(d) If an order shall be made or an effective resolution passed for the winding up or liquidation of the business of the Company.

(e) If the Company shall, without the consent in writing of the Trustee, cease to carry on its operations or threaten to cease to carry on the same.

17. Upon this security becoming enforceable, the Trustee may by writing appoint a receiver or receivers of the mortgaged premises or any part thereof, or any section of the undertaking of the Company, or of any line or lines of railway thereof, and the Trustee may from time to time remove any receiver or receivers, so appointed, and appoint another or others in his or their stead, and the following provisions shall, in all cases, have effect :

(a) Such appointment may be made either before or after the Trustee shall have entered into or taken possession of the mortgaged premises or any part thereof ;

(b) Such receiver or receivers may be invested by the Trustee with such powers and discretions as the Trustee may think expedient, and may be given full power to delegate any such powers or discretions ;

(c) Unless otherwise directed by the Trustee such receiver or receivers may exercise all the powers and authorities vested in the Trustee by paragraph 25 of this Indenture ;

(d) Every such receiver shall be entitled to receive the gross receipts, revenues and income of the property of which he shall be so appointed receiver, and shall be entitled to pay thereout all outgoings of said property ;

(e) Every such receiver shall in the exercise of his powers, authorities and discretions, conform to the regulations and directions from time to time made and given by the Trustee.

(f) The Trustee may, from time to time, fix the remuneration of every such receiver, and direct payment thereof out of the mortgaged premises;

(g) Save so far as otherwise directed by the Trustee all moneys received from time to time by every such receiver shall be paid over to the Trustee to be held by it upon the trusts declared by this Indenture;

(h) The Trustee may pay over to any such receiver, or to any other receiver of the whole or any part of the mortgaged premises, whether appointed by the Trustee, or by any Court exercising jurisdiction over the mortgaged premises, any moneys constituting part of the mortgaged premises, to the intent that the same may be applied for the purposes hereof by such receiver or receivers, and the Trustee may from time to time determine what funds any such receiver shall be at liberty to keep in hand with a view to the performance of his duties.

18. Upon this security becoming enforceable, the Trustee shall, upon being requested by one-third in amount of the bondholders in the manner hereinafter provided for declare the principal sum of each of the said bonds to be due and payable, and the same shall, upon such declaration, become due and payable accordingly, but such declaration shall not be made by the Trustee unless holders of said bonds then outstanding and representing not less than one-third in amount of bonds, shall have requested the Trustee so to do by an instrument in writing under their hands at any time before such default shall have been cured: Provided also that upon this security becoming enforceable and upon being requested so to do by the Canadian Northern, the Trustee may declare the said principal to be due and payable; and holders of said bonds representing more than one-half of the amount of bonds outstanding may by an instrument in writing under their hands cancel any declaration already made to that effect or waive the right so to declare on such terms and conditions as they may prescribe; provided always that no act or omission either of the Trustee or of the bondholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or the rights resulting therefrom.

19. The Trustee shall on the happening of any such event of default as is mentioned in clause (c) of paragraph 16 of this indenture, on the request of the holder of any of the said bonds, give written notice to the Company of any default mentioned in such request.

20. Upon this security becoming enforceable and upon a requisition in writing, signed by the holder or holders of bonds to an aggregate amount of not less than one-fifth of the amount of bonds then outstanding, and upon adequate and proper

proper indemnification of the Trustee against the costs, expenses and liabilities to be by it incurred, it shall be the duty of the Trustee to proceed to enforce its rights and the rights of the bondholders under these presents by such proceedings, authorized by these presents or by law as the Trustee shall in requisition be directed to take, or in such manner or manners as the Trustee shall deem expedient and be advised by counsel learned in the law. The right of appointment of a receiver and of entry and sale hereinbefore granted are declared to be cumulative remedies additional to all other remedies allowed by law for the execution and enforcement of the trusts hereof: Provided nevertheless that it shall be lawful for bondholders holding a majority of the bonds then outstanding prior to any sale of the mortgaged property and premises by an instrument under their hands, proved as hereinafter provided and filed with the Trustee, and upon payment of the reasonable compensation and expenses of the Trustee and its counsel, to direct the Trustee to waive any default or stay or abandon any proceedings upon such terms as may be directed in such instrument.

21. Upon this security becoming enforceable, then and from thenceforth and in any such case, except as hereinafter mentioned, it shall be lawful for but not obligatory upon the Trustee itself, or by its attorneys or agents, to enter into and upon the mortgaged premises or any part thereof, and from thenceforth to have, hold, possess, and use the mortgaged premises and all or any parts thereof.

22. Upon this security becoming enforceable, it shall be lawful for but not obligatory upon the Trustee after such entry as aforesaid or after other entry, or without entry, and whether in or out of possession and after advertisement of notice of such sale twice a week for four successive weeks preceding such sale in three newspapers, one published in Toronto, one in Quebec, and one in the borough of Manhattan, city of New York, and such additional advertisements and notices (if any) as the Trustee deems proper, to sell and dispose of the mortgaged premises subject to the provisions of paragraph 32 hereof, at public auction, or by private sale, at such time and place and in such manner as it may think best, and to make such sale with or under special conditions as to upset price, reserve bid or otherwise, or as to receiving the price or consideration in whole or in part in bonds or interest coupons secured hereunder. The Trustee may also rescind or vary any contract of sale that may have been entered into, and re-sell with or under any of the powers herein. The Trustee may also stop, suspend or adjourn any sale from time to time, and may make such sale at the time and place to which the same may be so adjourned without further notice. The Trustee may also, if it sees fit so to do, make any lease or leases of the whole or any part of the mortgaged premises, or of any line of railroad then subject to the

lien of this Indenture or the appurtenances thereof, reserving such rent and containing such covenants, agreements and provisions as may, in the opinion of the Trustee be reasonable or usual in leases of like property, provided that no such lease shall be for a longer period than twenty-one years, and shall reserve the best rent that can be reasonably obtained, which rent shall be incident to the immediate reversion, and shall be made payable half-yearly or oftener, and shall contain a condition for re-entry on non-payment of rent for a period of twenty-eight days after it becomes due, or for some less period to be therein specified. A copy of every such lease shall be mailed within ten days after the execution thereof to the Company.

23. It is hereby declared and agreed that the receipt of the Trustee shall be a sufficient discharge to any purchaser or purchasers at any sale for the purchase money and that after payment of such purchase money and having such receipt, the purchaser or purchasers shall not be obliged to inquire into the application of the purchase money upon or for the trusts or purposes hereof, or be in any manner whatsoever answerable for any loss, misapplication or non-application of such purchase money or any part thereof, nor shall such purchaser or purchasers at any time be obliged to inquire into the regularity of any such sale.

24. Upon any sale of the mortgaged premises, or of any part thereof, the purchaser, in making payment therefor, shall be entitled after paying in cash so much as shall be necessary to cover the costs and expenses of the sale and of the proceedings incident thereto and any other moneys payable to the Trustee to appropriate and use toward the payment of the remainder of the purchase price, any of the bonds or coupons issued hereunder and entitled to participate in the proceeds of such sale, reckoning each bond or coupon so appropriated and used at such sum as shall be payable thereon out of the net proceeds of the sale; and proper receipts shall thereupon be given to the holders of such bonds or coupons for the amount so payable thereon, and the bonds and coupons, if the net proceeds of the sale shall be sufficient to pay them in full, shall be delivered up for cancellation; or, if the proceeds of the sale shall not be sufficient to pay such bonds or coupons in full, then proper endorsement shall be made thereon of the amount so paid, and they shall then be returned to the holders.

25. Upon every entry into possession of the mortgaged premises, either by the Trustee its attorney or agent, or by any receiver appointed by the Trustee or by any court of competent jurisdiction, it shall and may be lawful for every such person so in possession from time to time until the sale and delivery of the same as hereinafter provided, at the expense of the trust estate to construct, repair, maintain and restore the railway, buildings, bridges, structures, rolling stock, machinery and other property of the Company, and to insure and keep insured

the same, in the same manner, and to the same extent as is usual with railway companies, and likewise, from time to time, at the expense of the trust estate, to make all necessary or proper repairs, renewals, replacements, alterations, additions, betterments and improvements thereto and thereon as may seem judicious.

The Trustee by itself or any such receiver or receivers by himself or themselves or by any such superintendents, manager, servants, attorneys or agents as may be thought fit, may operate, manage and conduct the business of the Company, and exercise all the rights and powers of the Company either in the name of the Company or otherwise, and shall be entitled to collect and receive all tolls, earnings, incomes, rents, issues and profits of the mortgaged premises and every part thereof.

26. If any moneys shall, from time to time, be required by the Trustee for the purpose of carrying out or enforcing the trusts hereof, or if any moneys shall be required from time to time by any receiver of the whole or any part of the property of the Company, whether appointed by the Trustee or by any court or otherwise, the Trustee, upon certifying the amount of such requirement by any instrument under its corporate seal and duly executed by its proper officers in that behalf, which execution shall, for all purposes, be conclusive upon the Company and upon the holders of said bonds, may issue certificates, hereinafter called receiver's certificates, for such an amount as will, in the opinion of the Trustee, be sufficient for obtaining upon the security of the mortgaged premises, the amount so certified, and such certificates may be payable either to order or to bearer, and may be payable at such time or times as to the Trustee may appear expedient, and shall bear such interest as shall be therein declared, and the Trustee may sell and dispose of the same in such manner as to it may seem advisable, and shall be authorized to pay such reasonable commission upon the sale thereof as to it may seem fit, and the amounts from time to time payable by virtue of such receiver's certificates shall form a first charge upon the mortgaged premises in priority to the said bonds. The Trustee shall not be liable for any error of judgment nor for any action taken or suffered by it in good faith under the provisions of this paragraph.

27. The Trustee may for its individual benefit make advances upon or acquire any of the said receiver's certificates.

28. After deducting the expenses of operating the mortgaged premises and of conducting the business thereof, and of all repairs, maintenance, renewals, replacements, alterations, additions, betterments and improvements and all other payments which may be made for taxes, assessments, insurance and prior or other proper charges upon the mortgaged premises or any part thereof, as well as just and reasonable compensation for the services of the Trustee and of any receiver or receivers and of all counsel, agents and employees, properly engaged and employed and all other costs, charges and expenses incurred

incurred in and about the execution of the trusts or powers in this indenture contained, and after reserving sufficient to indemnify the Trustee for and on account of any liability which it may have incurred in taking possession of or operating the mortgaged premises or otherwise in connection with the trust estate, the Trustee shall apply the remainder of the moneys received by it in connection with the operation and conduct of the said business and the mortgaged premises, as follows :—

(a) In case the principal of the said bonds shall not have become due, to the payment of the interest in default, in the order of the maturity of the instalments of such interest, with interest thereon at the rate of five per cent per annum, such payments to be made ratably to the persons entitled thereto, without any discrimination or preference.

(b) Any surplus moneys remaining not required for the payment of matured interest, shall be reserved to be applied to the payment of subsequently accruing interest, or to the payment of principal upon a sale of the mortgaged premises as hereinafter provided.

(c) In case the principal of the said bonds shall have become due by declaration or otherwise, first, to the payment of the accrued interest (with interest on the overdue instalments thereof at the rate of five per cent per annum in the order of the maturity of the instalments) and next, if any surplus remains, towards the payment of the principal of all the said bonds, such payments, in every instance, to be made ratably to the persons entitled thereto without any discrimination or preference.

29. The Company, upon the security becoming enforceable, shall and will, upon demand, deliver, surrender and yield up the mortgaged premises to the Trustee or to any receiver or receivers appointed by virtue hereof.

30. A certificate from the Trustee of the happening of any one or more of the events of default together with the production of this Indenture shall be sufficient evidence of such default, and no purchaser shall be bound to inquire into the correctness of such certificate, or whether any default has happened, or whether any sum remains secured by this indenture.

31. In case the Trustee shall have proceeded to enforce any right under this indenture by foreclosure, sale, appointment of receiver, entry of action, suit, or otherwise, and such proceedings shall be discontinued or abandoned because of waiver, or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case the Company and the Trustee shall severally and respectively be restored to their former position and rights hereunder in respect of the mortgaged premises, and all rights, remedies and powers of the Trustee shall continue as though no such proceedings had been taken.

32. In the event of any sale by virtue of the power of sale herein contained, or by virtue of judicial proceedings or any judgment for sale, the whole of the mortgaged premises shall be sold in one parcel, and as an entirety, unless the holders of a majority in amount of the bonds then outstanding shall in writing or at a meeting of the bondholders called for the purpose request the Trustee to cause such premises and property to be sold in parcels, in which case the sale shall be made in such parcels as may be specified in the request, and in the order therein set forth.

33. In case of sale of the mortgaged premises or any part thereof, by virtue hereof, the principal of the bonds, if not previously due, shall immediately become due and payable, anything in said bonds or in this Indenture contained to the contrary notwithstanding.

34. Upon the completion of any sale or sales, the Trustee shall execute and deliver to the purchaser or purchasers, such good and sufficient conveyances, assurances and transfers as may be expedient.

35. The Trustee is hereby appointed the true and lawful attorney irrevocable of the Company, in its name and stead to execute all such conveyances, assurances and transfers as may by counsel learned in the law be reasonably devised or required, with full power to appoint any person or corporation as its substitute, nevertheless the Company shall, if so requested by the Trustee, ratify and confirm all sales by executing and delivering to the Trustee or to such purchaser or purchasers all proper conveyances, assurances, transfers and releases as may be designated in such request.

36. In case of any sale of the mortgaged premises whether under the power of sale hereby granted or pursuant to judicial proceedings, the purchase money, proceeds or avails, together with any other sum which may be then held by the Trustee or be payable to it under any of the provisions of this indenture as a part of the mortgaged premises shall be applied as follows:—

(a) To the payment of the costs, expenses, fees and other charges of such sale, and a reasonable compensation to the Trustee, its agents and attorneys, for their services and for the services of all counsel, receivers, solicitors, agents and employees engaged, retained, appointed or employed by them, and to the payment of all expenses and liabilities incurred, and advances or disbursements made by the Trustee, and to the payment of all penalties, working expenses, taxes, rates, duties, levies, assessments, charges or other liens prior to the lien of this indenture, except any taxes, rates, duties, levies, assessments, charges or other separate liens, subject to which such sale shall have been made.

(b) To the payment of the amount owing or unpaid for principal and interest upon the bonds, with interest on the

overdue instalments of interest at the rate of five per cent per annum and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the bonds then to the payment of such principal and interest ratably according to the aggregate of such principal and the accrued and unpaid interest without preference or priority of principal over interest or of interest over principal, or of any instalment of interest over any other instalment of interest.

(c) Any surplus remaining shall be paid to the Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

37. No purchaser or other person or Company dealing with the Trustee or any receiver or receivers appointed by it, or with its attorneys or agents, shall be concerned to inquire whether the power exercised or purporting to be exercised, has become exercisable, or whether any money remains due under the security of these presents, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall have been made or otherwise as to the propriety or regularity of such sale or other dealing with the mortgaged premises, or to see to the application of any money paid to the Trustee or such receiver or receivers, and in the absence of *mala fides* on the part of such purchaser, person or Company such dealings shall be deemed, so far as regards the safety and protection of such purchaser, person or Company, to be within the powers hereby conferred, and to be valid and effectual accordingly, and the remedy of the Company and its assigns in respect of any impropriety or irregularity whatsoever in the exercise of such trusts shall be in damages only.

38. It is hereby declared and agreed that no holder of bonds or coupons shall have the right to institute any suit or proceedings for foreclosure or sale under this mortgage, or for the execution of the trusts hereof except upon and after the refusal and neglect of the Trustee to proceed to act in the premises upon requisition and indemnification as aforesaid; it shall, however, be lawful for the holders of bonds, representing a majority of the outstanding bonds for the time being, to direct the party bringing any such suit or proceeding to waive the default or defaults on which it is founded in like manner as is hereinbefore provided for a direction to the Trustee to waive default, and such direction shall be complied with. It is further declared and agreed that no action taken by the Trustee or by bondholders under this clause shall prejudice or in any manner affect the powers or rights of the Trustee or of bondholders in the event of any subsequent default or breach of condition or covenant herein.

39. Except during default in the performance by the Company of its agreements in said bonds and coupons and in these presents contained, the Trustee shall have power in its discretion, upon the written request of the Company, to convey

by way of release or otherwise, to parties designated by the Company, any of the mortgaged premises covered hereby which, in the judgment of the Trustee, it has become inexpedient or unnecessary to hold or use for the purpose of the undertaking and business of the Company : provided however that in each case other property (which may consist of money or security for money, lands, buildings, machinery, equipment or plant) of value equal in the Trustee's opinion to the value of the property released, shall be substituted for the released property and subjected to the lien of these presents, so that such release herefrom shall not in the opinion of the Trustee impair the security hereby provided ; and except during default as aforesaid, the Company may, free from the lien hereof, sell, exchange or otherwise dispose of such equipment, plant, machinery, materials or other movable property, as may have become worn out, disused or undesirable for use by the Company, provided, however, that it shall substitute therefor other property which is of equal or greater value ; and all renewals or substituted materials and property shall be covered by and subjected to these presents. The Trustee may act under this paragraph on the certificate of the President or a Vice-President and the Secretary of the Company under its corporate seal, and shall be protected in all action taken or suffered by it in good faith in reliance upon the statements in such certificate contained, and the Trustee may but shall not be bound to make further inquiry.

40. The bonds hereby secured shall be negotiable and pass by delivery unless registered for the time being in the name of the holder in the manner herein provided, and the Trustee shall keep at its office in the city of New York a bond register to be furnished by the Company in which the holder of a bond shall be entitled to have his name and address and the number of the bond entered upon presenting a written statement of the said particulars and verifying his title to such bond by the production thereof. Every such registration shall be certified on the bond. A suitable transfer book shall be kept at the office of the Trustee in New York ; and after such registration so certified no transfer shall be made or shall be valid except in writing in the said transfer book, signed by the party registered as the holder for the time being, or his legal representatives, or his agent or attorney thereunto duly authorized in writing filed with the Trustee. The fact of every such transfer shall be entered upon the said transfer book. Every such transfer shall be noted on the bond, and if the last transfer be to bearer it shall restore to the bond transferability by delivery, and every such bond shall be subject to successive registrations and transfers to bearer as aforesaid at the option of the holder. Notwithstanding registration the interest coupons shall continue to be payable to bearer. The Trustee shall not be bound to take notice of any trusts appearing on or referred to in any transfer of the said bonds or otherwise

294

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with respect thereto, and may transfer the same on the direction of the person registered as the holder thereof whether named as trustee or otherwise, as though that person were the beneficial owner thereof: all expense of registration and transfer of bonds shall be borne by the bondholders requiring the same.

41. The Company for itself, its successors and assigns, covenants, promises and agrees with the trustee as hereinafter in this article set forth :

(a) The Company will well and truly pay unto the lawful holders thereof the interest and principal of the bonds when and as the same shall become due and payable, according to the tenor and effect of said bonds and coupons without any deduction from either principal or interest of any tax which the Company might be required to pay or retain therefrom under any present or future law of the Dominion of Canada or of any county, state, province or municipality.

(b) The Company will, until the said bonds are fully paid and satisfied, pay or cause to be paid, when and as the same shall become due and payable, all taxes, rates, levies, duties, assessments or charges which may be lawfully imposed on the mortgaged premises, and on the interest of the Trustee therein. Provided, however, that the Company shall not be required to pay any such tax, rate, levy, duty, assessment or charge, so long as it shall in good faith and by appropriate legal proceedings contest the validity thereof. Should the Company fail to pay any such tax, rate, levy, duty, assessment or charge, the Trustee may, without prejudice to any of its rights under this indenture by reason of such default, pay and discharge the same, and have a lien upon the mortgaged premises for its advance for that purpose, together with interest thereon prior to the lien of its indenture.

(c) The Company will pay and discharge all claims or obligations which may now be or hereafter become due to labourers or mechanics, and which may by law be given a prior right to the lien of these presents.

(d) The Company will keep all wooden bridges and trestles forming part of the main line of railway, and all buildings, rolling stock and personal property at any time covered by this indenture insured against loss or damage by fire to such amounts as will reasonably protect the same, and will exhibit the policies and receipts for the payment of premiums to the Trustee on request. Should the Company fail to effect or keep in force such insurance, or produce evidence thereof at a reasonable time before the expiration of any contract for insurance from time to time in force, the Trustee may insure such property in like manner, but any moneys paid by the Trustee in respect thereof shall be immediately repaid by the Company with interest; but no duty with respect to effecting or maintaining insurance shall

rest upon the Trustee, and it shall not be responsible for any loss by reason of want thereof. All insurance moneys payable by virtue of any such insurance shall be used only for the purpose of rebuilding or reinstating the property damaged or destroyed, or of building or procuring others in lieu thereof; but should the Company decide not to rebuild or restore the property damaged, destroyed or part thereof, or procure other property in lieu thereof, or in case the Company shall not take steps to rebuild or restore the property damaged or destroyed or part thereof, or to procure other property in lieu thereof, within one year from the date of the damage or destruction or such further time as the Trustee may in writing allow, the moneys shall be paid over to the Trustee and may be applied by the Trustee to the redemption or purchase in open market of any of the bonds at such price as it may deem proper or otherwise as it in its direction may see fit. The Trustee shall be under no duty to see to the collection of the insurance moneys or any part thereof.

(e.) The Company will keep each piece of rolling stock equipment from time to time subject to the lien of this Indenture plainly lettered on each side with the name or initials of the Company.

(f.) The Company will indemnify and save harmless the Trustee against all loss and damage to which it may be subjected by the execution of the trusts hereof, or by the operation or management of the mortgaged premises, not caused by the personal misconduct or neglect of the Trustee.

42. No delay or omission of the Trustee, or of any holder of the said bonds, to exercise any right or power accruing upon any default, shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every power and remedy given by this indenture to the Trustee or to the bondholders may be exercised from time to time, and as often as may be deemed expedient by the Trustee or by the bondholders, and the Trustee may, except as herein otherwise provided, from time to time and at any time waive on such terms and conditions as to it shall seem expedient any breach by the Company of any of the covenants in these presents contained without prejudice to the rights of the Trustee in case of any subsequent like breach.

43. The Trustee shall be entitled to reasonable compensation for all services rendered by it in the exercise of the trusts hereby created, and such compensation, as well as the reasonable compensation of its counsel and all such persons as it may employ in the administration or management of the trust and all other reasonable expenses necessarily incurred or actually disbursed hereunder, the Company agrees to pay, and for such payment thereof the Trustee shall have the benefit of the lien of this Indenture, and shall be entitled to payment

thereof in full prior to any payment of or on account of the bonds and coupons out of the trust estate.

44. Unless and until the Trustee shall have received written notice to the contrary from a bondholder or from the Canadian Northern, the Trustee may for all the purposes of this Indenture conclusively assume that no event of default has happened.

45. The Trustee may employ solicitors, agents or attorneys in fact, and shall not be responsible for the default or misconduct of any solicitor, agent, attorney or receiver appointed by it in pursuance hereof if such solicitor, agent, attorney or receiver shall have been selected with reasonable care, nor for anything whatever in connection with the trusts hereof except wilful misconduct or gross negligence.

46. The Trustee may advise with legal counsel, and shall not be liable for any action under this indenture taken or suffered in good faith by the Trustee in accordance with the opinion of counsel which shall be conclusive on the Company and on all holders of the said bonds.

47. The Company further covenants to do, execute and deliver all such further acts, deeds, conveyances and assurances in the law, for the purpose of record or otherwise for the better assuring, conveying and confirming unto the Trustee the mortgaged premises, and every part thereof as the Trustee shall reasonably require for the better accomplishing and effectuating the intentions and provisions of these presents; and whenever and as often as the Company shall hereafter acquire any additional property (real or personal) rights, franchises, powers or things whatsoever not excepted herefrom under the proviso to paragraph No. 2 hereof the Company shall acquire, possess and hold the same upon and subject to the trusts of these presents until conveyance, assignment, transfer or assurance thereof shall be duly made and delivered to the Trustee for the benefit of the trusts by these presents created, and the Company will on demand repay to the Trustee all premiums of insurance, taxes, legal expenses or charges, or other expenditure which the Trustee may reasonably incur in and about the execution of the trusts hereof, and all such moneys together with interest thereon shall be a first charge upon the security hereby created in preference to the said bonds and interest.

48. The Company irrevocably appoints the Trustee to be the attorney of the Company, and in the name and on behalf of the Company to execute and do any assurances and things which the Company ought to execute and do under the covenants herein contained, and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred on the Trustee or any receiver appointed by it.

49. The Trustee shall not, nor shall any receiver or receivers as aforesaid by reason of the Trustee or such receiver or receivers entering into possession of the mortgaged premises or any part thereof be liable to account as mortgagee or mort-

gagees in possession, or for anything except actual receipts, or be liable for any loss upon realization or for any default or omission for which a mortgagee in possession might be liable, and every receiver appointed under these presents shall be deemed, as regards responsibility for loss or misconduct, to be the agent of the Company.

50. The Trustee and every receiver, attorney, manager, agent or other person appointed by the Trustee hereunder shall be entitled to be indemnified out of the mortgaged premises in respect of all liabilities and expenses incurred by them or any of them in the exercise or purported exercise of the trusts hereof, or of any powers, authorities or discretions vested in them or any of them pursuant to these presents, including liabilities and expenses consequent on any mistake, oversight, error of judgment, forgetfulness, or want of prudence on the part of the Trustee, or any such appointee, and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any wise relating to the premises, and the Trustee may retain and pay out of any moneys in its hands from the trusts of these presents, the amount of any such moneys, and also the remuneration of the Trustee as herein provided for, and also the reasonable remuneration of the Trustee for its own services hereunder.

51. The Trustee may delegate to any person or persons all or any of the trusts, powers and discretions vested in it by these presents, and any such delegation may be made upon such terms and conditions, and subject to such regulations, including power to sub-delegate as the Trustee may think fit, and the Trustee shall not be in any wise responsible for any loss incurred by any mistake or default on the part of any such delegate or sub-delegate.

52. Any notice required to be given to the Company shall be sufficiently given if left with some grown up person at the head office of the Company, or served upon the president, a vice-president, the treasurer, the secretary, the manager or other superintending officer thereof, or deposited in the mail in a securely sealed post-paid wrapper addressed to the Company at its Head Office.

53. The Trustee shall not be liable for or by reason of any failure or defect of title to or any encumbrance upon the mortgaged premises, or for or by reason of the statement of facts or recitals in this indenture or in the bonds contained or be required to verify the same; but all such statements and recitals are and shall be deemed to have been made by the Company only, and it shall not be the duty of the Trustee and nothing herein contained shall in any wise cast any obligation upon the Trustee to see to the application by the Company of any bonds or their proceeds delivered to the Company in accordance with the terms of this indenture, or to see to the registration of filing or renewal of this or any other deed or writing by way of mortgage or bill of sale upon the mortgaged

premises, or any part thereof, or upon any other property of the Company, or to procure further other or additional instruments of further assurance, or to do any other act for the continuance of the lien hereof, or for giving notice of such lien or for extending or supplementing the same; or to keep itself informed or advised as to the payment by the Company of any taxes, or assessments, or premiums of insurance, or other payments which the Company should make, or to require such payments to be made; it being hereby agreed and declared that as to all the matters and things in this clause referred to the duty and responsibility shall rest upon the Company and not upon the Trustee, and the failure of the Company to discharge such duty and responsibility shall not in any way render the Trustee liable or cast upon it any duty or responsibility for breach of which it would be liable.

54. Notwithstanding anything herein contained it is hereby declared that the Trustee shall be chargeable and liable only for that which it shall actually receive in administering the trusts hereof (notwithstanding its joining in any receipt for the sake of conformity), and shall be answerable and accountable only for its own acts, receipts, neglects or defaults, and not for those of any banker, broker or other person with whom any trust moneys or securities may be deposited, nor for any loss unless same shall happen through its own wilful default. The Company is solely responsible for the truth of the recitals herein contained.

55. The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder after giving three months' notice in writing to the Company. Provided that such shorter notice may be given as the Company shall accept as sufficient. In case of resignation, removal from office, or incapacity to act on the part of the Trustee a successor shall be at once appointed by a Judge of the Superior Court of Justice for Quebec, upon the application of the Company upon such notice (if any) to the bondholders and given in such manner as the said judge may direct or upon the application of bondholders upon notice to the Company. On any new appointment the new Trustee shall be vested with the same powers, rights, interests, duties and responsibilities as if such Trustee had been originally named as Trustee hereunder, without any further assurance, conveyance, act or deed; but there shall be immediately executed all such conveyances or other instruments as may be necessary or suitable for the purpose of assuring to the new Trustee a full estate in the premises.

56. Any successor Trustee appointed hereunder shall execute and deliver to the Company an instrument accepting such appointment hereunder, and thereupon all the estate, right, title and interest of the succeeded Trustee shall wholly cease and determine. Nevertheless, such Trustee shall, at the request of the Company, or of the successor Trustee, make and execute such deeds, conveyances or assurances to its successor

as may be necessary or suitable for the purposes aforesaid. All the expenses incidental to the resignation or renewal of a Trustee, and to the appointment of a new Trustee and of all the deeds, conveyances and assurances incident thereto shall be borne by the Company.

57. Nothing contained in these presents, or in any bond hereby secured, shall prevent any consolidation, amalgamation, or merger of the Company with any other corporation, or any conveyance, transfer or lease of all or part of the mortgaged premises to any corporation lawfully entitled to acquire the same, provided however, that such consolidation, amalgamation, merger, sale or lease shall be upon such terms as to preserve and not to impair the lien and security of these presents.

58. In case any bond issued under this indenture, or the coupons thereto appertaining, shall become mutilated or be destroyed, the Company in its discretion may issue and thereupon the Trustee shall certify and deliver a new bond of like date and tenor, bearing the same serial number as the one mutilated or destroyed, and having only the proper coupons attached, in exchange for and in place and upon cancellation of the mutilated bond or coupons or in lieu of and substitution for the same, if destroyed. In case of destruction the applicant for a substituted bond shall furnish to the Company and the Trustee evidence of the destruction of such bond or coupon destroyed, which evidence shall be satisfactory to the Company and Trustee in their discretion, and such applicant shall also furnish indemnity satisfactory to both of them in their discretion.

59. It is hereby declared that the last day of any term of years, reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Company, and whether falling within a general or specific description of property hereunder, is hereby excepted out of the assignment or transfer of such lease or agreement hereby made, and does not and shall not form any portion of the mortgaged premises, and it is further hereby declared and agreed that after any lease or sale made under the powers herein contained of any leasehold interest forming part of the mortgaged premises, the Company shall stand possessed of the premises sold for the last day of the term granted by the lease thereof or agreement therefor in trust for the purchaser or purchasers, their executors, administrators and assigns, to be assigned and disposed of as he or they may direct.

60. The Trustee may, whenever and so often as it shall desire, and shall at any time upon the request of holders of bonds to the amount of at least one-fifth of the bonds then outstanding call a meeting of the bondholders, provided the Trustee shall at the time of such request be paid in cash sufficient to cover the costs and expenses of calling and holding the meeting specified in such request. Such meeting, until other regulations shall be established, shall be sufficiently

called by notice mailed to each of the registered bondholders at their registered addresses at least ten days before the meeting, and also in case any bonds shall not be then registered, by advertisement once a week for three consecutive weeks in one newspaper published in the cities of New York, Montreal and Toronto respectively. Each meeting shall be held at New York, Montreal or Toronto, as may be determined by the Trustee, and may without publication be adjourned from time to time, and to such place as the meeting shall determine. Each such meeting shall be held, presided over and conducted in the manner usual with deliberative bodies. The rights and status of each bondholder shall be ascertained by the Trustee and certified to the chairman of the meeting by reference to the register in the case of registered bonds, and by the production of unregistered bonds to the Trustee or by such evidence of the holding thereof as would be sufficient to establish, under paragraph 61 hereof, the right of the holder to join in a requisition or consent. Any bondholder may be represented by proxy, provided the appointment of such proxy be in writing, and be deposited with the Trustee. Each bondholder shall have one vote for each full \$1,000 of bonds held by him, but not in respect of a fraction of \$1,000. The Trustee shall have the right to require the proceedings at or any requisition passed by any such meeting to be authenticated by the signature of all persons whether bondholders or proxies entitled to vote thereat. By resolution passed at any such meeting, a quorum may be defined, and other regulations or by-laws governing meetings of bondholders may be established, altered or repealed, but until a meeting defines the quorum or makes such regulations or by-laws governing meetings the same may be defined and made by the Trustee.

61. Any request or other instrument required by this Indenture to be signed and executed by bondholders may be in any number of concurrent instruments of a similar tenor or effect, and may be executed by such bondholders in person or by an agent or attorney. Proof of the execution of any such request or other instrument, or of the due appointment of any such agent or attorney, or of the holding by any person of bonds transferable by delivery shall be sufficient for any purpose of this indenture, and shall be conclusive in favour of the Trustee with regard to any action taken or suffered by the Trustee under such request or other instrument if made in the following manner, namely :

(a) The fact and date of the execution by any person of any such request or of any other instrument in writing may be proved by the certificate of any notary public certifying that the person signing such request or other instrument acknowledged to him the execution thereof, or by the affidavit or statutory declaration of a witness to such execution.

(b) The amount of bonds transferable by delivery held by any person executing such request or other instrument as

bondholder, and the issue and number of bonds held by such person and the date of his holding the same may be proved by a certificate issued by any trust company, bank, or other depositary, whose certificate the Trustee may think to be satisfactory showing that at the date therein mentioned, such person had on deposit with or exhibited to such depositary, the bonds numbered and described in such certificate, and such bonds, for the purpose of action by the Trustee on the faith of such certificate shall be conclusively deemed to be held as certified during two calendar months ensuing the date of such certificate, and the Trustee shall not be required to take cognizance of any notice to the contrary.

(c) The ownership of registered bonds shall be proven by the book for the registry of such bonds as provided in this indenture.

(d) Any written demand, request, notice, designation, direction or nomination to be made by the Company under any of the provisions hereof shall, unless otherwise provided, be deemed sufficiently made and executed if executed under the corporate seal of the Company, by the President or by a Vice-President of the Company. The Trustee may receive a certificate signed by the Secretary of the Company as sufficient evidence of the passage of any resolution of the board of directors of the Company, or of the shareholders thereof.

62. A meeting of bondholders shall in addition to all other powers have the following powers exercisable only by extraordinary resolution approved by the Canadian Northern, viz. :

(a) Power to sanction any scheme for the reconstruction of the Company or for the amalgamation of the Company with any other Company or for the leasing of the undertakings or part thereof of the Company to any other Company where the consent of bondholders to such reconstruction or amalgamation or leasing may be required.

(b) Power to authorize the Trustee to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the mortgaged premises, any shares, whether preference, ordinary, or otherwise, debentures, bonds, debenture stock or any other securities of any company formed or to be formed.

(c) Power to sanction the exchange of the bonds hereby secured and the conversion of such bonds into shares, debentures, bonds, debenture stock or any other securities of the Company or any other company formed or to be formed.

(d) Power to distribute in specie any shares or securities received under subsections (b) and (c) hereof.

(e) Power to sanction any modification or compromise of the rights of the bondholders against the Company or against its property, whether such rights shall arise under this indenture or otherwise.

(f) Power to assent to any modification of the provisions contained in this indenture which shall be proposed by the Company and to authorize the Trustee to concur in and execute

any deed supplemental to this indenture embodying such modification.

(g) Power to authorize the Trustee or any of its receivers, agents or attorneys where they shall have entered into possession of the mortgaged premises to give up possession of the premises to the Company, whether unconditionally or upon any conditions.

(h) Power to declare that the security constituted by this indenture has not become enforceable, notwithstanding the happening of any of the events of default.

The expression "extraordinary resolution" means a resolution passed at a meeting of bondholders duly convened and held in accordance with the provisions herein contained by a vote representing not less than three-fourths in amount of the outstanding bonds.

63. The Canadian Northern shall be entitled to the benefit of the lien of this Indenture for all moneys which it may pay in pursuance of its said or any additional guarantee of the payment of the principal and interest of bonds issued in pursuance of the terms hereof, but it shall not be entitled to any payment out of the trust estate on account of any moneys so paid by it, unless and until the entire principal and interest, with interest on past due instalments of interest, of such bonds so guaranteed shall have been first paid in full. The Canadian Northern may for the purposes of this indenture from time to time waive the default of the Company in respect of the moneys so paid by the Canadian Northern. In any event of default the Trustee may from time to time be called upon by the Canadian Northern to exercise and upon being properly indemnified against costs, expenses and liabilities the Trustee shall then exercise all the powers and remedies herein provided in the event of default in payment on the part of the Company, or such of them as the Canadian Northern may from time to time specify.

64. The Trustee hereby accepts the trusts of this indenture and agrees to carry out and discharge the same unless and until discharged therefrom by resignation or in some other lawful way.

In witness whereof this indenture has been duly executed by the parties hereto under their respective corporate seals.

GREAT NORTHERN RAILWAY OF CANADA.

In the presence of

R. P. ORMSBY.

GEO. HENDERSON.

D. B. HANNA,

President.

[Seal.]

LOUIS G. SCOTT,
Secretary.

THE CENTRAL TRUST COMPANY OF NEW YORK.

M. FERGUSON.
EUGENE RAGGIE.
[Seal.]

J. N. WALLACE,
Vice-President.
GEO. BERTINE,
Secretary.

THE CANADIAN NORTHERN RAILWAY COMPANY.

Z. A. LASH.
[Seal.]

D. D. MANN,
Vice-President,
W. H. MOORE,
Secretary.

SCHEDULE A.

- referred to in the hereto annexed indenture, dated the first day of April, A.D. 1905, between Great Northern Railway of Canada, of the first part, the Central Trust Company of New York, of the second part, and the Canadian Northern Railway Company, of the third part.

Part One.

The main line of the railway commencing at Rivière à Pierre, Province of Quebec, where it connects with the Quebec & Lake St. John Railway, thence in a generally westerly direction to the town of Hawkesbury, Province of Ontario, a distance of about 169 miles. A branch line of railway from Shawinigan Junction to the town of Shawinigan Falls, on the St. Maurice River, a distance of about 4.5 miles. A branch line of railway from St. Jerome Junction to St. Jerome in the county of Terrebonne, a distance of about 1.7 miles. A line of railway called the Montfort and Gatineau branch or division, commencing at Montfort Junction, where it connects with the Canadian Pacific Railway in the county of Terrebonne, thence running in a generally north-westerly direction to Arundel and Huberdeau, a distance of about 33 miles.

Part Two.

1. A certain lot of land now known as lot number two thousand and eighty-five (2,085), upon the official cadastral plan and in the book of reference thereto for St. Peter's Ward of the said City of Quebec, being a beach lot bounded towards the north-west by the line of the Harbour Commissioners of Quebec, to the south-east by a projected street called Carcy street, to the north-east by the projected prolongation of Bell's lane, otherwise called Ste. Catherine street, and to the south-west by the projected prolongation of St. Peter street, with the wharfs thereon erected, circumstances and dependencies.

And all that part of the lot of land known as lot number two thousand and eighty-six (2,086), upon the official cadastral

plan and in the book of reference thereto for St. Peter's Ward of the said City of Quebec, being a beach lot included in the following limits, to wit :—

To the north by the line of the Harbour Commissioners of Quebec ; to the north-east, by Dalhousie street ; to the south-west, by the projected prolongation of Bell's lane, otherwise called St. Catherine street ; to the south-east, by the right of way of the North Shore Railway Company belonging to the Canadian Pacific Railway Company, with the wharfs erected, circumstances and dependencies.

Which said above described two lots of land are marked block "A" and block "C" and part of "D" respectively, on a certain plan thereof made by Alex. Sewell, provincial land surveyor, in the month of February, eighteen hundred and eighty-three (1883), a copy of which is annexed to a deed of agreement and transfer between Messrs. Hall, Price, Dobell *et al.*, passed before E. G. Meredith, Notary Public, at Quebec, on the eighth day of November, eighteen hundred and ninety-two (1892), and which said lots of land contain a superficial area of sixty thousand five hundred and sixty-nine feet, more or less, English measure, and are known to the said parties as follows :

The first lot above described as the Convey Wharf property and the second lot above described as the St. Charles Wharf property.

2. And also those six lots or emplacements situated in the lower town of Quebec, St. Peter's Ward, described and designated on the cadastral plan and book of reference for St. Peter's Ward of the said City of Quebec, under the number two thousand and seventy-three (2,073), two thousand and seventy-four (2,074), two thousand and seventy-five (2,075), two thousand and seventy-six (2,076), two thousand and seventy-seven (2,077) and two thousand and seventy-eight (2,078), the six lots together forming one block or square which is bounded towards the south by Leadenhall street, to the north by Aylmer street, to the west by St. Peter's street and to the east by St. Catherine street.

3. Three lots or emplacements or beach lots situate in St. Peter's Ward aforesaid, and described on the cadastral plan and book of reference for St. Peter's Ward aforesaid, under the number two thousand and seventy-nine (2,079), two thousand and eighty-three (2,083) and two thousand and eighty-four (2,084), the said lots being contiguous and forming together a piece of ground bounded to the south partly by Aylmer street and partly by the lot number two thousand and eighty (2,080), to the west by St. Peter's street and to the east by lots numbers two thousand and eighty (2,080), and two thousand and eighty-two (2,082).

4. And three other emplacements or beach lots situate in St. Peter's Ward aforesaid, contiguous to the lots hereinabove secondly described, the said three lots being designated on the

cadastral plan and book of reference for St. Peter's Ward aforesaid, under the numbers two thousand and eighty (2,080), two thousand and eighty-one (2,081) and two thousand and eighty-two (2,082), forming together a piece of ground which is bounded to the south by Aylmer street, to the north partly by Carcy street and partly by lot number two thousand and eighty-three (2,083), to the east by St. Catherine street and to the west by lots numbers two thousand and seventy-nine (2,079), and two thousand and eighty-three (2,083), together with the wharfs and buildings erected and being on part of the lots hereinabove firstly described, circumstances and dependencies.

Which said hereinabove secondly, thirdly and fourthly described lots of land contain together a superficies of thirty-nine thousand eight hundred and twenty-five square feet, English measure, more or less, and include the land forming the projected streets called Aylmer Street, Carcy Street, St. Catherine Street, and the continuation of St. Peter Street, but without any warranty of any kind in case of eviction, as regards the said streets ; which projected streets contain an area of about thirty-eight thousand feet, English measure.

5. The immovable property which they, the Company, hold in virtue of the lease which was granted them on the sixteenth of May, 1900, by the Quebec Harbour Commissioners before Cy. F. Délage, Notary, which immovable property is described thus in said deed of lease :

A lot of ground situate at the western end of the Louise embankment, of a superficies of about thirty-nine thousand square feet (39,000), for the erection of workshops, and another space, being a beach lot, situate at the same place, contiguous to the preceding, containing a superficies of about sixty-one thousand (61,000) square feet, outside of the crib work of the Quebec Harbour Commissioners, for the erection of other work-shops of the said Company, as the whole is more fully described on a plan of said property made by the Quebec Harbour Commissioners' Engineer, and comprising all the space within the letters B, C, D, F, B, and outlined in red on said plan, annexed to the original hereof and signed by the parties hereto and the said notary *ne varietur*, with the buildings thereon erected and machinery affixed to such buildings.

6. The railway tracks, the property of the Company, now laid in St. Andrew Street, in the City of Quebec, from the tracks of the Quebec & Lake St. John Railway, near the Gas Works, to the Great Northern Elevator Company's grain elevator, near the Custom House, and also the tracks connecting the latter with the car shops of the Great Northern Railway on the Louise Dock, together with in each case all rights of way, station grounds, stations, freight houses and other buildings, bridges (including among all others the bridge over the Ottawa River, from a point between the Villages of Carillon and Grenville, Province of Quebec, to the Village of

Hawkesbury, Province of Ontario, together with all approaches to the said bridge), and culverts, water tanks, bridge houses, engine houses, turntables, wharfs, docks and all other property real and personal now existing or hereafter acquired in connection with the said lines of railway and branches or any of them, and the said properties or any of them in parts 1 and 2 of this Schedule; also all present and future rolling stock, equipment, plant, machinery, tools, implements, etc., thereof; also all present and future tolls, revenues, incomes, rights, franchises and powers of the Company in connection with the said lines of railway and branches and properties and each of them and the operation thereof.

Part Three.

Also the lease made by The Chateauguay and Northern Railway Company, called the Lessor, to Great Northern Railway of Canada, called the Lessee, dated the 23rd day of October, A.D. 1903, and all covenants, powers, rights and benefits therein contained and the Lessee's interest in the real and personal property thereby demised—by which said lease the Lessor demised and leased to the Lessee the following, that is to say, the line of railway of the Lessor from the junction of the Great Northern Railway of Canada at or near Joliette to a point in Hochelaga Ward, Montreal, being about thirty-seven (37) miles more or less, and including the railway bridge across the Rivière des Prairies, and also the branch to L'Assomption, being about one-third mile in length. The property in Montreal fronting on St. Catherine Street, bounded by Chicago Avenue on the west and Moreau Street on the east, and extending back to the Canadian Pacific Railway Company's property, also a strip of land on the west side of Chicago Avenue and fronting for about sixty (60) feet on St. Catherine Street, and extending back along Chicago Avenue to the rear of Lot 98 and the said lot 98, together with all rights of way, stations, station grounds, buildings, freight houses, warehouses, docks, wharfs, engine houses, water tanks, turntables, shops, telegraph and telephone lines, sidings, structures, erections and improvements and real and personal property of every kind owned and controlled by the Lessor or to which the Lessor is or may be entitled and used or for use upon or in connection with the said railway, etc., together with all appurtenances to the said railway, etc., belonging or appertaining; also all the rights, powers, privileges and franchises of the Lessor in connection with the foregoing or any part thereof, and in connection with the construction and operation of any extensions or branches of the railway above referred to or in connection with the construction and operation of any additional lines of railway or branches which under the charter of the Lessor it is authorized to construct or operate.

Part Four.

Also the lease made by Charles Eusebe Martel and Victor Chateauvert therein and hereinafter called the Lessor, acting for the Renaud Estate and Great Northern Railway of Canada, therein and hereinafter called the Lessee, and all the covenants, powers, rights and benefits therein contained and the Lessee's interest in the property thereby demised, by which said lease the Lessor leased and demised to the Lessee the following, that is to say : A strip or piece of land of an irregular shape forming part of lots numbers two thousand and eleven (2,011) and two thousand and twelve (2,012) of the official plan and book of reference of the Cadastre of St. Peter's Ward of the City of Quebec, situate on the north side of St. Andrew Street, comprised within the letters A, C, H, D, E, F, G, B, A, on said plan, bounded on the north by the concave line from A to D, measuring two hundred and ninety-three feet, on the north-east by the line running southwards from D to E along St. Peter's Street, measuring forty-three feet, thence by a line running westward from E to F fifty-four feet, thence southwards from F to G sixty-nine feet, thence by a line running westward along the line of the Canadian Pacific Railway on St. Andrew Street from G to the starting point A two hundred and forty-eight feet, more or less, without guarantee as to precise measurements ; the space of ground leased measuring thirteen thousand seven hundred and fifty-two feet in superficies.

Part Five.

Fully paid shares in the capital stock of the Great Northern Elevator Company, amounting at par to \$149,000.

Approved :

GREAT NORTHERN RAILWAY OF CANADA.

D. B. HANNA,
President.

LOUIS G. SCOTT,
Secretary.

THE CENTRAL TRUST COMPANY OF NEW YORK.

J. N. WALLACE,
4th Vice-President.

GEO. BERTINE,
Secretary.

THE CANADIAN NORTHERN RAILWAY
COMPANY.

D. D. MANN,
Vice-President.

W. H. MOORE,
Secretary.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 100.

An Act respecting the North-west Coal and Coke Railway Company, and to change its name to "The Great West Railway Company."

[Assented to 20th July, 1905.]

WHEREAS the North-west Coal and Coke Railway Com- Preamble.
pany has, by its petition, prayed that it be enacted as
hereinafter set forth, and it is expedient to grant the prayer 1903, c. 167.
of the said petition: Therefore His Majesty, by and with the
advice and consent of the Senate and House of Commons of
Canada, enacts as follows:—

1. The name of the North-west Coal and Coke Railway Name
Company, hereinafter called "the Company," is changed to changed.
"The Great West Railway Company"; but such change of
name shall not in any way impair, alter or affect the rights or
liabilities of the Company, nor in any wise affect any suit Saving.
or proceeding now pending, or judgment existing, either by,
or in favour of, or against the Company, which, notwithstand-
ing such change in the name of the Company, may be prose-
cuted, continued, completed and enforced as if this Act had
not been passed.

3. The construction of the Company's railway may be com- Time
menced and fifteen per cent on the amount of the capital stock extended.
expended thereon within two years after the twenty-fifth day
of June, one thousand nine hundred and five, and the railway
finished and put in operation within five years after the
twenty-fifth day of June, one thousand nine hundred and five;
and if the railway is not commenced and such expenditure is
not made, or if the railway is not finished and put in opera-
tion, within the said respective periods, the powers granted to
the Company by Parliament shall cease and be null and void
as respects so much of the railway as then remains uncom-
pleted.

1903, c. 167,
s. 11 repealed. **3.** Section 11 of chapter 167 of the statutes of 1903 is
repealed.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 101.

An Act respecting the Guelph and Georgian Bay Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Guelph and Georgian Bay Railway Com-
pany has by its petition prayed that it be enacted as
hereinafter set forth, and it is expedient to grant the prayer
of the said petition: Therefore His Majesty, by and with
the advice and consent of the Senate and House of Commons
of Canada, enacts as follows:—

1. The Guelph and Georgian Bay Railway Company may
commence the construction of its railway and expend fifteen
per cent of the amount of its capital stock thereon within two
years after the passing of this Act, and may finish the said
railway and put it in operation within five years after the
passing of this Act; and if the said railway is not so commen-
ced, and such expenditure is not so made, or if the said rail-
way is not finished and put in operation within the said periods
respectively, the powers of construction conferred upon the
said Company by Parliament shall cease and be null and void
as respects so much of the said railway as then remains uncom-
pleted.

Preamble.
1903, c. 125.
Time for
construction
of railway
extended.

2. Section 14 of chapter 125 of the statutes of 1903 is re-
pealed.

Section 14
repealed.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 102.

An Act respecting the Hamilton, Galt and Berlin Railway Company, and to change its name to "The Hamilton, Galt and Guelph Railway Company."

[Assented to 7th June, 1905.]

WHEREAS the Hamilton, Galt and Berlin Railway Com- Preamble.
pany has by its petition prayed that it be enacted as 1903, c. 126.
hereinafter set forth, and it is expedient to grant the prayer
of the said petition: Therefore His Majesty, by and with the
advice and consent of the Senate and House of Commons of
Canada, enacts as follows:—

1. Section 3 of chapter 126 of the statutes of 1903 is repeal- Section 3
repealed.
ed, and in lieu thereof it is enacted that James Walter Lyon
and Charles L. Dunbar, of the city of Guelph, Charles D. Provisional
directors.
Haines and Hillhouse Brown, both of the city of Hamilton,
and Edward Robinson Dewart, of the town of Dunnville, shall
be the provisional directors of the Hamilton, Galt and Berlin
Railway Company.

2. The name of the Hamilton, Galt and Berlin Railway Name
changed.
Company, hereinafter called "the Company," is changed to
"The Hamilton, Galt and Guelph Railway Company"; but
such change of name shall not in any way impair, alter or affect
the rights or liabilities of the Company, nor in any wise affect
any suit or proceeding now pending, or judgment existing, Existing
rights not
affected.
either by, or in favour of, or against the Company, which,
notwithstanding such change in the name of the Company,
may be prosecuted, continued, completed and enforced as if
this Act had not been passed.

3. The capital stock of the Company is increased to one Capital stock.
million dollars.

4. Section 8 of the said Act is amended by adding thereto Section 8
amended.
the words "and to some point in or near the city of Guelph,
in

Line of
railway
authorized.

in the county of Wellington, and also in or near the towns of Preston and Hespeler, in the county of Waterloo, and also from some point in or near the city of Guelph to some point in or near the city of Hamilton."

Section 11
repealed.

5. Section 11 of the said Act is repealed.

Time for
construction
extended.

6. The construction of the railway of the Company may be commenced, and fifteen per cent on the amount of the capital stock expended thereon, within two years after the passing of this Act, and the said railway may be finished and put in operation within four years after the passing of this Act, and if the said railway is not so commenced and such expenditure is not so made, or if the said railway is not finished and put in operation, within the said respective periods, the powers granted to the Company by Parliament shall cease and be null and void as respects so much of the said railway as then remains uncompleted.

Agreements
with other
companies.

7. Subject to the provisions of sections 281, 282 and 283 of *The Railway Act*, 1903, the Company may enter into agreements for any of the purposes mentioned in the said sections with the Brantford and Hamilton Railway Company, the Hamilton, Ancaster and Brantford Railway Company, the Guelph Radial Railway Company, or any of them.

Issue of
securities.

8. In the event of the Company constructing a high-level bridge upon the line of road from Hamilton to Guelph, then the securities issued by the Company with respect to such line from Hamilton to Guelph may be increased to thirty thousand dollars per mile of the railway, but shall not exceed the said sum.

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4-5 EDWARD VII.

CHAP. 103.

An Act for the relief of George Dance Harper.

[Assented to 7th June, 1905.]

WHEREAS George Dance Harper, of the city and district of Montreal, in the province of Quebec, merchant, has by his petition set forth that on the fourth day of June, one thousand eight hundred and ninety, he was lawfully married to Dame Nathalie Sallie Parker at the city of Dover, in the state of New Hampshire, one of the United States of America; that at the time of the said marriage he was domiciled in Canada, and shortly after the said marriage they returned to the city of Montreal, and thereafter continued, up to, in or about the month of August, one thousand eight hundred and ninety-six, to cohabit in the said city of Montreal; that in the months of August and September, one thousand eight hundred and ninety-six, at the said city of Montreal and at the town of St. Johns in the province of Quebec, she committed adultery with one George Smythe; and whereas the said George Dance Harper has humbly prayed that the said marriage may be dissolved, and that he may be authorized to marry again, and that such further relief may be afforded him as is deemed meet; and whereas he has proved the said allegations of his said petition, and it is expedient that the prayer thereof be granted: Therefore His Majesty, by and with the consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.

1. The said marriage between the said George Dance Harper and the said Nathalie Sallie Parker, his wife, is hereby dissolved and shall be henceforth null and void to all intents and purposes whatsoever.

Marriage dissolved.

2. The said George Dance Harper may at any time hereafter marry any other woman whom he might lawfully marry if the said marriage with the said Nathalie Sallie Parker had not been solemnized.

Right to marry again.



4-5 EDWARD VII.

CHAP. 104.

An Act respecting the Hudson's Bay and Pacific Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Hudson's Bay and Pacific Railway Com-
pany has by its petition prayed that it be enacted as
hereinafter set forth, and it is expedient to grant the prayer
of the said petition : Therefore His Majesty, by and with the
advice and consent of the Senate and House of Commons
of Canada, enacts as follows :—

Preamble.

1896(2nd Sess)
c. 7 ;
1898, c. 65 ;
1901, c. 65 ;
1903, c. 129.

1. The construction of the railway of the Hudson's Bay and Pacific Railway Company may be commenced, and fifteen per cent on the amount of the capital stock expended thereon, within two years after the first day of October, one thousand nine hundred and five, and the railway finished and put in operation within five years after the first day of October, one thousand nine hundred and five; and if the railway is not so commenced and such expenditure is not so made, or if the railway is not finished and put in operation, within the said respective periods, the powers granted to the said Company by Parliament shall cease and be null and void as respects so much of the railway as then remains uncompleted.

Time for
construction
of railway
extended.

2. Section 3 of chapter 65 of the statutes of 1898, section 1 of chapter 65 of the statutes of 1901, and section 1 of chapter 129 of the statutes of 1903, are repealed.

Sections
extending
time repealed.

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4-5 EDWARD VII.

CHAP. 105.

An Act respecting the Huron and Erie Loan and Savings Company.

[Assented to 20th July, 1905.]

WHEREAS the Huron and Erie Loan and Savings Company has by its petition prayed that it be enacted as herein-after set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

Preamble.

1896 (1st Sess.)
c. 49 ;
1899, c. 115.

1. Section 1 of chapter 115 of the statutes of 1899 is repealed, and the following is enacted as section 2 of chapter 49 of the statutes of 1896 (First Session) :—

1899, c. 115,
s. 1 repealed.
1896 (1st Sess.)
c. 49.
New s. 2.

“2. The aggregate amount of the said Company’s liabilities to the public outstanding from time to time shall not exceed the amount of its subscribed, fixed and permanent capital stock added to thrice the amount paid thereon, nor shall such liabilities exceed four and three-fourths times the amount paid upon the said Company’s capital stock, but the amount of cash on hand or deposited in chartered banks and belonging to the said Company shall be deducted from such total liabilities for the purposes of this section.

Amount of
liabilities
limited.

“2. The amount held on deposit by the said Company shall not at any time exceed the aggregate amount of its subscribed, fixed and permanent capital and of its cash actually on hand or deposited in chartered banks and belonging to the said Company, nor shall it exceed one and three-fourth times the amount paid upon such capital stock, and its cash on hand or in banks as aforesaid.

Amount held
on deposit
limited.

“3. The extent to which the borrowing power conferred by this section is exercised by the said Company in any year shall bear no greater proportion to the whole borrowing power of the said Company than the amount of the debentures paid off or renewed during such year bears to the whole present debenture debt.

Extent of
borrowing
power.

Rights saved. "4. Nothing herein contained shall be construed as affecting or in any wise impairing the rights of the present holders of debentures issued by the said Company."

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 106.

An Act respecting certain patents of the Ideal Manufacturing Company.

[Assented to 20th July, 1905.]

WHEREAS the Ideal Manufacturing Company, of the city of Preamble.
Detroit, in the state of Michigan, one of the United States of America, has by its petition represented that it is the holder and owner of certain patents, issued to one Hiram T. Bush, under the seal of the Patent Office, namely, patent number fifty-seven thousand two hundred and twenty-eight, dated the twenty-seventh day of August, one thousand eight hundred and ninety-seven, for improvements in traps, and patent number sixty thousand five hundred and sixty-five, dated the eleventh day of July, one thousand eight hundred and ninety-eight, for improvements in valves for flush tanks, and that the said patents have been duly assigned to the said Company; and whereas the said Company has prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Notwithstanding anything in *The Patent Act*, in the Acts in amendment thereof, or in the patents mentioned in the preamble, the Commissioner of Patents may receive from the holder of any of the said patents, petitions for certificates of payment of further fees and the usual fees for one or more terms for the said patents, and may grant and issue to such holder certificates of payment of further fees, provided for by *The Patent Act*, and extensions of the term or duration of the said patents to the full term of eighteen years in as full and ample a manner as if the application therefor had been duly made within the first six years from the date of issue of the said patents. Commissioner of Patents may extend duration of patents. R.S.C., c. 61.

2. If any person, other than any licensee, has, in the period between the expiry of six years from the date of the said patents and the twenty-fifth day of March, one thousand nine hundred Certain rights saved.

Proviso.

hundred and five, commenced to manufacture, use and sell, in Canada, any of the patented inventions covered by the said patents respectively, such person may continue to manufacture, use and sell such invention in as full and ample a manner as if this Act had not been passed: Provided that this exemption shall not extend to any person who, without the consent of the holder of such patent, has commenced the construction or manufacture of the said invention before the expiry of the patent.

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most Excellent Majesty



4-5 EDWARD VII.

CHAP. 107.

An Act to incorporate the Imperial Guarantee and Accident Insurance Company of Canada.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it be Preamble.
enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition : Therefore His Majesty,
by and with the advice and consent of the Senate and House
of Commons of Canada, enacts as follows :—

1. Elias Talbot Malone, Robert Armstrong, Ernest Henry Incorporation.
Bisset, Anthony L'Estrange Malone, and William Sefton
Hodgens, all of the city of Toronto, in the province of Onta-
rio, together with such persons as become shareholders in the
company, are incorporated under the name of "The Imperial Corporate
Guarantee and Accident Insurance Company of Canada," name.
hereinafter called "the Company."

2. The persons named in section 1 of this Act, together Provisional
with such persons not exceeding six as they associate with directors.
them, shall be the provisional directors of the Company, a
majority of whom shall be a quorum for the transaction of
business, and they may forthwith open stock books, procure
subscriptions of stock for the undertaking, make calls on Powers.
stock subscribed and receive payments thereon, and shall
deposit in a chartered bank in Canada all moneys received by
them on account of stock subscribed or otherwise received by
them on account of the Company, and may withdraw the same
for the purposes of the Company only, and may do generally
whatever is necessary to organize the Company.

3. The head office of the Company shall be in the city of Head office.
Toronto, in the province of Ontario.

2. The directors may establish branches, sub-boards or Branches.
agencies, either within Canada or elsewhere, at such times
and in such manner as they deem expedient.

Capital stock. 4. The capital stock of the Company shall be one million dollars, divided into shares of one hundred dollars each.

Increase of capital. 2. The directors may, after the whole capital stock has been subscribed and fifty per cent paid thereon in cash, increase the amount of the capital stock from time to time to an amount not exceeding one million five hundred thousand dollars, but the stock shall not be increased until a resolution of the board of directors authorizing such increase has been first submitted to and confirmed by two-thirds in value of the shareholders present or represented by proxy at a special general meeting of the shareholders duly called for that purpose: Provided that no issue of such increased capital stock shall be made except upon the payment of ten per cent in cash upon the amount of such issue.

Proviso.

First general meeting. 5. So soon as one hundred and fifty thousand dollars of the capital stock has been subscribed, and ten per cent of that amount paid into some chartered bank in Canada, the provisional directors shall call a general meeting of the shareholders at some place to be named in the city of Toronto, at which meeting the shareholders present or represented by proxy who have paid not less than ten per cent on the amount of shares subscribed for by them shall elect a board of not less than seven nor more than twenty directors, of whom a majority shall be a quorum.

Election of directors.

Qualification of directors. 2. No person shall be a director unless he holds in his own name and for his own use at least twenty shares of the capital stock, and has paid all calls due thereon and all liabilities incurred by him to the Company.

Calls on stock. 6. The shares of the capital stock subscribed for shall be paid by such instalments and at such times and places as the directors appoint; the first instalment shall not exceed twenty-five per cent and no subsequent instalment shall exceed ten per cent, and not less than thirty days' notice shall be given of any call. Provided that the whole amount so paid in by any shareholder shall not be less than ten per cent of the amount subscribed by such shareholder.

When business may be commenced. 2. The Company shall not commence business until two hundred and fifty thousand dollars of the capital stock have been subscribed and one hundred thousand dollars thereof have been paid in cash into the funds of the Company, to be appropriated only for the purposes of the Company under this Act.

General meetings. 7. A general meeting of the Company shall be called at its head office once in each year after the organization of the Company and commencement of business, and at such meeting a statement of the affairs of the Company shall be submitted; and special general meetings may at any time be called by any five of the directors, or by requisition of any

twenty-five shareholders, specifying in the notice the object of such meeting.

2. Notice of each such meeting shall be sufficiently given by printed or written notice to each of the shareholders mailed at least ten days before the day for which the meeting is called, and addressed to the addresses of the shareholders respectively given in the books of the Company. Notice of meetings.

8. The Company may make contracts of insurance against any accident or casualty of whatsoever nature or from whatsoever cause arising to individuals, whereby the insured may suffer loss or injury or be disabled, including sickness not ending in death, or in case of death from any accident or casualty not including sickness, securing to the representative of the person assured the payment of a certain sum of money upon such terms and conditions as are agreed upon, and in like manner may also make contracts of indemnity against claims and demands of the workmen and employees of any person or of the legal representatives of such workmen and employees with respect to accidents or casualties of whatever nature or from whatever cause arising whereby the insured suffers pecuniary loss or damage, or incurs costs and expenses, and generally carry on the business of accident and sickness insurance as defined by *The Insurance Act*. Accident insurance.
Sickness insurance.

9. The Company may—

(a.) guarantee the fidelity of persons filling or about to fill situations of trust or confidence, and the due performance and discharge by such persons of all or any of the duties and obligations imposed upon them by contract or otherwise ; Surety insurance.

(b.) guarantee the due performance and discharge by receivers, official and other liquidators, committees, guardians, executors, administrators, trustees, attorneys, brokers and agents, of their respective duties and obligations ;

(c.) guarantee persons filling or about to fill situations of trust or confidence against liabilities in connection therewith, and in particular against liabilities resulting from the misconduct of any co-trustee, co-agent, sub-agent or other person ;

(d.) generally carry on the business of guarantee insurance as defined by *The Insurance Act*.

10. The Company may acquire and hold any real property required for its use and accommodation, and may dispose thereof when necessary, but the annual value of such property held in any province of Canada shall not exceed three thousand dollars, except in the province of Ontario where it shall not exceed ten thousand dollars. Power to hold real property limited.

11. Notwithstanding anything contained therein, *The Companies Clauses Act*, except sections 18 and 39 thereof, shall apply R.S.C., c. 113.

apply to the Company in so far as the said Act is not inconsistent with any of the provisions of *The Insurance Act* or of this Act.

R.S.C., c. 124. **12.** *The Insurance Act* shall apply to the Company.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 108.

An Act to incorporate the International Bridge and Terminal Company.

[Assented to 20th July, 1905.]

WHEREAS a petition has been presented praying that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition : Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

1. Edward Wellington Backus, of the city of Minneapolis, in the state of Minnesota, John P. Stanton, of the city of Hamilton, Robert Alexander Grant and Alexander McKenzie, of the city of Toronto, and William Johnston, of the city of Ottawa, together with such persons as become shareholders in the company, are incorporated under the name of "The International Bridge and Terminal Company," hereinafter called "the Company."

Incorporation.

Corporate name.

2. The persons named in section 1 of this Act shall be the first or provisional directors of the Company, of whom three shall be a quorum, and they shall have all the powers which are conferred upon directors by *The Companies Act, 1902*, and by this Act.

Provisional directors.

3. The capital stock of the Company shall be one hundred thousand dollars, divided into shares of one hundred dollars each, and may be called up by the directors from time to time, but no one call shall exceed ten per cent on the shares subscribed.

Capital stock.

4. The head office of the Company shall be at the city of Toronto, in the province of Ontario, or at such other place as the directors determine by by-law.

Head office.

5. As soon as fifty per cent of the capital stock has been subscribed, and twenty-five per cent of that amount has been paid

First general meeting.

Election of
directors.

paid into some chartered bank in Canada, the provisional directors shall call a meeting of the shareholders at the head office of the Company, at which meeting the shareholders present or represented by proxy, shall elect a board of not less than five nor more than nine directors.

Notice of
meetings.

2. Notice of such meeting may be given by mailing it, postage prepaid, to each shareholder at his post office address shown in the books of the Company, at least ten days previous to the date of such meeting, and like notice may be given for all general meetings of the Company.

Annual
meeting.

6. The annual meeting of the Company shall be held on the second Tuesday in September, and at each such meeting not less than five nor more than nine persons shall be elected directors of the Company, one or more of whom may be paid directors.

Powers of
Company.
Bridge.

7. The Company may—

(a.) construct, maintain and operate a bridge, with the necessary or proper approaches and terminal facilities, over the Rainy river from a point in or near the town of Fort Frances, in the province of Ontario, to a point in or near the town of International Falls, in the state of Minnesota, and may construct and arrange the bridge for the passage of pedestrians, cars and vehicles propelled or drawn by any power, and for general traffic purposes, and may lay tracks on the bridge and on its terminal property in or near the said towns for the passage of railway and other cars, and may charge tolls for the passage of cars, vehicles, pedestrians and general traffic over the bridge, approaches and terminal property, or for the use thereof;

Tolls.

Vessels.

(b.) construct, acquire and navigate steam and other vessels for the conveyance of passengers, goods and merchandise on Rainy river, Rainy lake and Lake of the Woods; and carry on the business of common carriers of passengers and goods, and of forwarders, wharfingers and warehousemen; and sell and dispose of the said vessels;

Carriers.

Lands,
buildings, etc.

(c.) purchase, rent, erect and hold, so far as is necessary for any of the purposes aforesaid, lands, wharfs, piers, docks, warehouses, offices, elevators and other terminal facilities or buildings, to an amount not exceeding five hundred thousand dollars, and may sell, lease, or dispose thereof.

When bridge
may be
commenced.

8. The Company shall not commence the said bridge or any work thereunto appertaining until the plans thereof and of the proposed site of the bridge, have been submitted to and approved of by the Governor in Council, and such conditions as he thinks fit to impose touching the said bridge and works are complied with, nor shall any such plans be altered, nor any deviation therefrom allowed, except upon the permission of the Governor in Council, and upon such conditions as he imposes.

9. The directors may fix and regulate the tolls to be charged ; provided that such tolls shall be equal to all persons and companies using the said bridge, its machinery, approaches, terminals and appurtenances, and the tolls charged by the Company shall first be approved of by the Board of Railway Commissioners for Canada, who may revise the same from time to time, and so long as all companies and persons are charged equal rates and are given equal terms and facilities, the directors may, if they think proper, charge less than the said rates.

Tolls to be approved.

10. The Company may unite with any other company incorporated under the laws of the state of Minnesota, or of the United States, in building, working, managing, maintaining and using the said bridge, terminals and approaches, and may make agreements with such company respecting the construction, maintenance and management and use of the said bridge and its appurtenances, and may make agreements with any other company for conveying or leasing the said bridge to such company, in whole or in part, or any rights or powers acquired by it, as also the franchises, surveys, plans, works, plant, machinery and other property to it belonging, or for an amalgamation with such company, on such terms and conditions as are agreed upon, and subject to such restrictions as to the directors seem fit : Provided that such agreement has been first approved by two-thirds of the votes at a special general meeting of the shareholders duly called for the purpose of considering it, at which meeting shareholders representing at least two-thirds in value of the stock are present or represented by proxy, and that such agreement has also received the sanction of the Governor in Council.

Agreement with United States company respecting bridge.

11. The directors may, in the manner prescribed by sections 111 and 112 of *The Railway Act*, 1903, issue, sell or pledge and secure bonds, debentures and other securities to an amount not exceeding two hundred and fifty thousand dollars. The mortgage deed securing such bonds shall be deposited in the office of the Secretary of State for Canada, of which deposit notice shall be given in *The Canada Gazette*, and no other registration or filing of such mortgage shall be required, and should the Company unite with another company in constructing the bridge and works, as authorized by section 10 hereof, the Company may join with such other company in issuing, selling, pledging and securing bonds, debentures and other securities ; provided that the total thereof jointly issued shall not exceed five hundred thousand dollars.

Issue of securities.

Mortgage securing bonds.

12. In case the state of Minnesota or the United States shall, at any time after the final completion of the bridge, provide for the appointment of a commission for regulating the working of the said bridge, the use thereof, and the compensation to be made therefor and for settling any dispute in

Joint commission for managing bridge.

respect thereof, the Governor in Council may join in the appointment of the said commission on such terms as he thinks proper, and the commissioners to be appointed by him shall equal in number at least all the other commissioners; and in the event of any such appointment the said commissioners shall have the power hereby conferred on the Governor in Council.

Time for
construction
of bridge
limited.

13. The said bridge shall be commenced within two years after the Governor in Council and the Executive of the United States, or other competent authority therein, has approved such bridging, and shall be completed within five years thereafter, otherwise the powers granted by this Act shall cease and be null and void as respects so much of the undertaking as then remains uncompleted; provided, however, that if such approval is not obtained within five years after the passing of this Act the powers granted for the construction of the said bridge shall cease and be null and void.

Agreement
with another
company.

14. Any agreement provided for in section 281 of *The Railway Act, 1903*, may be entered into, subject to the provisions of the said section, between the Company and the International Bridge and Terminal Company, a company incorporated under the laws of the United States or of the state of Minnesota.

"Bridge"
defined.

15. Wherever in this Act the expression "the said bridge" occurs, it shall mean the bridge, approaches, lands and works hereby authorized.

R.S.C., c. 118.

16. *The Companies Clauses Act* shall not apply to the Company.

1903, c. 58.

17. The following sections of *The Railway Act, 1903*, namely, 51 to 117 both inclusive, 118 except paragraph (b) thereof, 119 to 195, both inclusive, 206 to 210, both inclusive, 242, 251, 252, 280 to 284, both inclusive, 303 and 309, shall, so far as applicable and except as they are extended, limited or qualified hereby, apply to the works and undertaking of the Company, and wherever in the said sections the word "railway" occurs it shall, for the purposes of the Company and unless the context otherwise requires, mean the said bridge.

Use of bridge
by railway
companies.

18. Any railway company whose road now has or shall hereafter have a terminus at or shall run its trains to or from any point at or near either end of the said bridge, or shall run its trains in connection with any railway having such terminus, or upon which trains are or shall be run to or from the localities aforesaid, whether incorporated by Parliament or by any provincial Legislature, or by any authority in the state of Minnesota or by the Legislature of the United States, shall have

and be entitled to the same and equal rights and privileges in the passage of the said bridge, and in the use of the machinery and fixtures thereof, and of all the approaches thereto, without discrimination or preference, upon such terms and conditions as are fixed by the Board of Railway Commissioners for Canada; and the Board of Railway Commissioners for Canada is hereby authorized to make and enforce such orders for the purposes of carrying out the provisions of this section as it may think necessary.

Regulation
by Board of
Railway Com-
missioners.

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4-5 EDWARD VII.

CHAP. 109.

An Act respecting the Interprovincial and James Bay Railway Company.

[Assented to 20th July, 1905.]

WHEREAS a petition has been presented praying that it be **Preamble.**
enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition : Therefore His Majesty, 1901, c. 66.
by and with the advice and consent of the Senate and House 1903, c. 134.
of Commons of Canada, enacts as follows :—

1. Section 2 of chapter 134 of the statutes of 1903 is hereby **Repeal of**
repealed. **limitation of**
time.

2. The Company may commence the construction of its **Extension**
railway and expend fifteen per cent of the amount of its capital **of time for**
stock thereon within two years after the passing of this Act, **commence-**
and may finish the said railway and put it in operation within **ment and**
five years after the passing of this Act ; and if the said rail- **completion of**
way is not so commenced and such expenditure is not so made, **construction.**
or if the said railway is not finished and put in operation
within the said periods, respectively, the powers of construction
conferred upon the Company by Parliament shall cease and be
null and void as respects so much of the said railway as then
remains uncompleted.

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4-5 EDWARD VII.

CHAP. 110.

An Act respecting the James Bay Railway Company.

[Assented to 20th July, 1905.]

WHEREAS the James Bay Railway Company has by its Preamble.
petition prayed that it be enacted as hereinafter set
forth, and it is expedient to grant the prayer of the said peti- 1895, c. 50 ;
tion : Therefore His Majesty, by and with the advice and 1897, c. 47 ;
consent of the Senate and House of Commons of Canada, 1899, c. 71 ;
enacts as follows :— 1902, c. 65 ;
1904, c. 88.

1. This Act may be cited as *The James Bay Railway Act*, Title of Act.
1905.

2. The James Bay Railway Company, hereinafter called
“the Company,” may, with the consent of the Governor in Council, change its name to any other name approved of by the Governor in Council ; but such change of name shall not in any way impair, alter or affect the rights or liabilities of the Company, nor in any way affect any suit or proceeding now pending, or judgment existing either by, or in favour of, or against the Company, which, notwithstanding such change in the name of the Company, may be prosecuted, continued, completed and enforced as if this Act had not been passed. Power to change name.

3. The Company may construct the following lines of railway :— Lines of railway authorized.

(a.) from a point on the Company's line at or near Toronto, thence easterly to Ottawa ;

(b.) from a point on or near the French river, thence easterly, passing through or near Ottawa and Hawkesbury, to Montreal, branching on Montreal island to enter Montreal from both the north-east and south-west ;

(c.) from a point on the Company's line at or near Sudbury, thence westerly and south of Lake Nepigon to a point on the Canadian Northern Railway at or near Kashabaiwe west of Port Arthur, passing through or near Port Arthur or with a branch to Port Arthur.

Issue of securities for vessels, hotels, properties, etc.

4. The Company may, from time to time, issue securities for the purposes of the acquisition by purchase, construction or otherwise, of vessels, hotels, terminals, parks and other properties required or used in connection with the undertaking of the Company, and secure them by mortgage on the properties so acquired; provided that the limit to the amount of securities which the Company may issue and secure under sections 111 to 115, both inclusive, of *The Railway Act*, 1903, in respect of the said purposes and the construction of the Company's authorized lines of railway shall be fixed at thirty thousand dollars per mile of such lines of railway, and such securities may be issued only in proportion to the length of such lines of railway constructed or under contract to be constructed.

Time for construction of railway extended.

5. Unless the Company commences within two years, and completes and puts in operation within five years, after the passing of this Act, the lines of railway which the Company is authorized to construct, the powers granted for construction shall cease with respect to so much of the said lines as then remains uncompleted.

Agreements with other companies.

6. Subject to the provisions of sections 281 to 283, both inclusive, of *The Railway Act*, 1903, the Company may enter into agreements with the Quebec, New Brunswick and Nova Scotia Railway Company for any of the purposes specified in the said section 281, and the Company may lease its lines or leased lines, or any of them, to the Canadian Northern Railway Company, or give that company running powers thereover.

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4-5 EDWARD VII.

CHAP. III.

An Act respecting the Joliette and Lake Manuan Colonization Railway Company.

[Assented to 20th July, 1905.]

WHEREAS the Joliette and Lake Manuan Colonization Railway Company has, by its petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.

1903, c. 135.

1. Section 12 of chapter 135 of the statutes of 1903 is hereby repealed.

Repeal of limitation of time for construction.

2. If the construction of the railway of the Joliette and Lake Manuan Colonization Railway Company is not commenced, and fifteen per cent on the amount of the capital stock is not expended thereon, within two years after the passing of this Act, or if the railway is not finished and put in operation within five years after the passing of this Act, the powers of construction granted by Parliament shall cease and be null and void as respects so much of the railway as then remains uncompleted.

Extension of time for construction.

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4-5 EDWARD VII.

CHAP. 112.

An Act respecting a certain patent of Celeste Joly.

[Assented to 16th May, 1905.]

WHEREAS Celeste Joly, of the city of London, England, Preamble.
has, by his petition, represented that on the sixteenth day of February, one thousand nine hundred and three, he obtained letters patent of the Kingdom of Belgium for an invention relating to "Monorail Railways or Trams"; that on the thirteenth day of May, one thousand nine hundred and three, the said Joly obtained letters patent of the Republic of France for the same invention; that on the fourteenth day of October, one thousand nine hundred and three, the said Joly obtained letters patent of the United Kingdom for the same invention; and that on the sixth day of September, one thousand nine hundred and four, the said Joly obtained letters patent of the United States for the same invention; that in accordance with section 7 of *The Patent Act* an application for a patent of Canada should have been made to the Commissioner of Patents on or before the sixteenth day of February, one thousand nine hundred and four; that such application was not made until after the said date when the Commissioner of Patents could not, because of the provisions of *The Patent Act*, cause letters patent for the said invention to issue; and whereas the said Joly has prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Notwithstanding anything in *The Patent Act*, the Commissioner of Patents may grant and issue to the said Celeste Joly letters patent for the said invention in pursuance of the said application as if the said application had been duly received by the Commissioner of Patents prior to the sixteenth day of February, one thousand nine hundred and four.

Commissioner
of Patents
may issue
letters patent.

Existing
rights saved.

2. If any person has, prior to the date of the issue of the letters patent herein authorized to be issued, commenced to manufacture, use and sell such invention, such person may continue to manufacture, use and sell such invention in as full and ample a manner as if this Act had not been passed.

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4-5 EDWARD VII.

CHAP. 113.

An Act respecting the Kaslo and Lardo-Duncan Railway Company.

[Assented to 20th July, 1905.]

WHEREAS the Kaslo and Lardo-Duncan Railway Com- Preamble.
pany has, by its petition, prayed that it be enacted as
hereinafter set forth, and it is expedient to grant the prayer 1897, c. 48 ;
of the said petition : Therefore His Majesty, by and with the 1900, c. 61.
advice and consent of the Senate and House of Commons of
Canada, enacts as follows :—

1. Section 2 of chapter 61 of the statutes of 1900 is repealed, 1900, c. 61,
and the following is substituted therefor :— new s. 2.

“2. The Kaslo and Lardo-Duncan Railway Company here- Time for
inafter called “the Company,” may complete the railway completion
which by its Act of incorporation it was authorized to con- of railway
struct, or any portion thereof, within five years after the extended.
seventh day of May, one thousand nine hundred and five,
provided that as to so much thereof as is not completed within
that period the powers of the Company shall cease and deter-
mine.”

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 114.

An Act respecting the Kingston, Smith's Falls and Ottawa Railway Company.

[Assented to 7th June, 1905.]

WHEREAS the Kingston, Smith's Falls and Ottawa Railway Company, hereinafter called "the Company," has by its petition prayed that its Act of incorporation and the Acts in amendment thereof be further amended as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Notwithstanding any time limit contained in the Acts relating to the Company set forth in the schedule to this Act, the Company may construct, complete and operate the railway and the branches authorized by the said Acts

2. The said railway and the said branches, so far as uncompleted, shall be commenced by the first day of July, 1907, and shall be completed by the first day of July, 1910; and if the said railway and the said branches are not so commenced or completed as provided by this Act, then the powers granted by Parliament for the construction thereof shall cease and be null and void as respects so much thereof as then remains uncompleted.

SCHEDULE.

Year and Chapter.	Title of Act.
1887, c. 88.....	An Act to incorporate the Kingston, Smith's Falls and Ottawa Railway Company.
1889, c. 79.....	An Act to amend the Act incorporating the Kingston, Smith's Falls and Ottawa Railway Company.
1891, c. 95.....	An Act respecting the Kingston, Smith's Falls and Ottawa Railway Company.
1896 (1st Sess.) c. 22....	An Act respecting the Kingston, Smith's Falls and Ottawa Railway Company.

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4-5 EDWARD VII.

CHAP. 115.

An Act respecting the Kootenay, Cariboo and Pacific Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Kootenay, Cariboo and Pacific Railway Com- Preamble.
pany has, by its petition, prayed that it be enacted as
hereinafter set forth, and it is expedient to grant the prayer of 1903, c. 141.
the said petition: Therefore His Majesty, by and with the
advice and consent of the Senate and House of Commons of
Canada, enacts as follows:—

1. Section 10 of chapter 141 of the statutes of 1903 is Section 10
repealed. repealed.

2. The construction of the railway of the Kootenay, Cariboo Time for
and Pacific Railway Company may be commenced, and fifteen construction
per cent on the amount of the capital stock expended thereon, of railway
within two years after the passing of this Act, and the railway extended.
finished and put in operation within five years after the passing
of this Act; and if the said railway is not so commenced and
such expenditure is not so made, or if the said railway is not
finished and put in operation, within the said respective periods,
then the powers granted to the said Company by Parliament
shall cease and be null and void as respects so much of the
railway as then remains uncompleted.

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4-5 EDWARD VII.

CHAP. 116.

An Act respecting the Lake Champlain and St. Lawrence Ship Canal Company.

[Assented to 16th May, 1905.]

WHEREAS the Lake Champlain and St. Lawrence Ship Preamble.
Canal Company has, by its petition, prayed that it be
enacted as hereinafter set forth, and it is expedient to grant 1898, c. 107;
the prayer of the said petition: Therefore His Majesty, by and 1902, c. 68.
with the advice and consent of the Senate and House of
Commons of Canada, enacts as follows:—

1. Section 6 of chapter 68 of the statutes of 1902 is 1902, c. 68, s. 6
repealed. repealed.

2. If the construction of the canal authorized by chapter Time for
107 of the statutes of 1898 is not commenced, and fifty construction
thousand dollars are not expended thereon, within three years of canal
after the passing of this Act, or if the said canal is not com- extended.
pleted within seven years after the passing of this Act, then
the powers for constructing the said canal shall cease and be
null and void with respect to so much thereof as remains
uncompleted.

OTTAWA: Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's
most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 117.

An Act to incorporate the Lebonk and Thunder Bay Railway Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it be Preamble.
enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition: Therefore His Majesty,
by and with the advice and consent of the Senate and House
of Commons of Canada, enacts as follows:—

1. Robert Henry Flaherty and Harry Edward Knobel, both Incorporation.
of the town of Port Arthur, in the province of Ontario, Glyn
Osler, of the city of Ottawa, in the said province, Frederick
Hartington Bole and George Andrew Elliott, both of the city
of Winnipeg, in the province of Manitoba, together with such
persons as become shareholders in the company, are incorpo- Corporate
rated under the name of “The Lebonk and Thunder Bay name.
Railway Company,” hereinafter called “the Company.”

2. The undertaking of the Company is declared to be a work Declaratory.
for the general advantage of Canada.

3. The persons named in section 1 of this Act are consti- Provisional
tuted provisional directors of the Company. directors.

4. The capital stock of the Company shall be one hundred Capital stock.
and eighty thousand dollars. No one call thereon shall exceed
ten per cent on the shares subscribed.

5. The head office of the Company shall be in the town of Head office.
Port Arthur, in the province of Ontario.

6. The annual meeting of the shareholders shall be held on Annual
the first Thursday in September. meeting.

7. The number of directors shall be not less than five nor Number of
more than nine, one or more of whom may be paid directors. directors.

Line of
railway
described.

8. The Company may lay out, construct and operate a railway of the gauge of four feet eight and one-half inches from a point on Thunder bay, Lake Superior, following the course of the Blende river in a generally northerly direction to the Lebonk mine, on lot number 1, Herricks survey, township of McTavish, in the province of Ontario, and thence in a generally westerly direction to a point on the south shore of Loon lake in the said township.

Issue of
securities.

9. The securities issued by the Company shall not exceed twenty thousand dollars per mile of the railway, and may be issued only in proportion to the length of railway constructed or under contract to be constructed.

Agreements
with other
companies.

10. Any agreement provided for in section 281 of *The Railway Act, 1903*, may be entered into between the Company and the Grand Trunk Pacific Railway Company.

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4-5 EDWARD VII.

CHAP. 118.

An Act to incorporate the London and Saint Clair Railway Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Wilmot D. Matthews, Herbert C. Hammond, Lachlan A. Hamilton, Henry Beatty and Robert A. Smith, all of the city of Toronto, in the province of Ontario, together with such persons as become shareholders in the company, are incorporated under the name of "The London and Saint Clair Railway Company," hereinafter called "the Company."

Incorporation.

Corporate name.

2. The undertaking of the Company is declared to be a work for the general advantage of Canada.

Declaratory.

3. The persons named in section 1 of this Act are constituted provisional directors of the Company.

Provisional directors.

4. The capital stock of the Company shall be five hundred thousand dollars. No one call thereon shall exceed ten per cent on the shares subscribed.

Capital stock.
Calls thereon.

5. The head office of the Company shall be in the city of Toronto.

Head office.

6. The annual meeting of the shareholders shall be held on the first Tuesday in September.

Annual meeting.

7. The number of directors shall be not less than five nor more than nine, one or more of whom may be paid directors.

Number of directors.

Line of
railway
described.

8. The Company may lay out, construct and operate a railway of the gauge of four feet eight and one-half inches from a point on the line of the Ontario and Quebec Railway, between the city of London and Komoka, to a convenient point on the St. Clair river at or near Sarnia or between Sarnia and Lake St. Clair.

Issue of
securities.

9. The securities issued by the Company shall not exceed twenty thousand dollars per mile of the railway, and may be issued only in proportion to the length of railway constructed or under contract to be constructed.

Agreements
with another
company.

10. Any agreement provided for in section 281 of *The Railway Act, 1903*, may be entered into between the Company and the Canadian Pacific Railway Company or the Ontario and Quebec Railway Company.

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4-5 EDWARD VII.

CHAP. 119.

An Act respecting the Macleod, Cardston and Montana Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Macleod, Cardston and Montana Railway Company has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Section 11 of chapter 147 of the statutes of 1903 is repealed.

Preamble.
1903, c. 147.
Section 11
repealed.

2. The construction of the railway of the Macleod, Cardston and Montana Railway Company may be commenced, and fifteen per cent on the amount of the capital stock expended thereon, within two years after the passing of this Act, and the railway finished and put in operation within five years after the passing of this Act; and if the said railway is not so commenced and such expenditure is not so made, or if the said railway is not finished and put in operation within the said respective periods, then the powers granted to the said Company by Parliament shall cease and be null and void as respects so much of the railway as then remains uncompleted.

Time for
construction
extended.

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4-5 EDWARD VII.

CHAP. 120.

An Act respecting the Manitoulin and North Shore Railway Company.

[Assented to 20th July, 1905.]

WHEREAS the Manitoulin and North Shore Railway Com- Preamble.
pany has by its petition prayed that it be enacted as
hereinafter set forth, and it is expedient to grant the prayer of 1900, c. 64 ;
the said petition: Therefore His Majesty, by and with the 1901, c. 74 ;
advice and consent of the Senate and House of Commons of 1902, c. 72 ;
Canada, enacts as follows:— 1903, c. 148 .

1. The railway described in chapter 148 of the statutes of Time for
1903, and in chapter 64 of the statutes of 1900, except those construction
portions set out in subsections 2 and 3 of this section, may be generally.
commenced within two years and completed within five years
after the passing of this Act, otherwise the powers granted for
such construction shall cease and be null and void as respects
so much thereof as then remains uncompleted.

2. That part of the line of the said railway described in Line from
chapter 64 of the statutes of 1900, lying between Sudbury and Sudbury to
Little Current, may be commenced within one year from the Little
first day of July next ; but if the construction of the said line Current.
of railway is not commenced at the harbour of Little Current
and one hundred and fifty thousand dollars are not expended
thereon within one year from the first day of July next, and
if the said line of railway is not completed within two years
from the said date, the powers granted for such construction
shall cease and be null and void as respects so much of the
said line as then remains uncompleted.

3. That part of the line of the said railway described in Line from
chapter 64 of the statutes of 1900, lying between Meaford and Meaford to
Owen Sound may be commenced within six months from the Owen Sound.
first day of July, one thousand nine hundred and five, and
completed within one year from the thirty-first day of Decem-
ber, one thousand nine hundred and five ; but if the construc-
tion of the said line of railway is not commenced and one
hundred and fifty thousand dollars are not expended thereon
by the first day of January next, and if the said line of rail-
way

way is not completed within one year from the thirty-first day of December, one thousand nine hundred and five, the powers granted for such construction shall cease and be null and void as respects so much of the said line as then remains uncompleted.

Sections limiting time repealed.

2. Section 12 of chapter 64 of the statutes of 1900, and section 3 of chapter 148 of the statutes of 1903, are repealed.

Bonds and mortgage in schedule confirmed.

3. The first mortgage bonds authorized and issued by the Manitoulin and North Shore Railway Company, and the mortgage set out in the schedule to this Act, made between the Manitoulin and North Shore Railway Company and the Central Trust Company of New York, and dated the first day of January, one thousand nine hundred and three, to secure the due payment of the said first mortgage bonds, are declared to be valid and binding upon the parties thereto according to the terms thereof, and may be enforced as therein provided as fully and effectually as if the said terms were embodied in this Act.

1901, c. 74, s. 3 amended.

4. Section 3 of chapter 74 of the statutes of 1901 is amended by inserting after the words "Western Railway Company," in the third line thereof, the words "the Canada Central Railway Company."

SCHEDULE.

THE MANITOULIN AND NORTH SHORE RAILWAY COMPANY TO CENTRAL TRUST COMPANY OF NEW YORK.

First Mortgage.

This Indenture, dated the first day of January, in the year one thousand nine hundred and three, made by and between the Manitoulin and North Shore Railway Company, hereinafter called the Manitoulin Company, of the first part, and Central Trust Company of New York, a corporation duly created and existing under and by virtue of the laws of the State of New York, hereinafter called the Trustee, of the second part:

Whereas the Manitoulin Company has been incorporated by Act of the Parliament of Canada, being chapter 64 of the statutes of Canada, 63-64 Victoria (1900), as amended by chapter 74 of the statutes of Canada, 1 Edward VII. (1901); and

Whereas the Manitoulin Company under and by virtue of said chapter 64 of the statutes of Canada, 63-64 Victoria (1900), is empowered to lay out, construct and operate a railway extending from a point in or near the town of Little Current, in the district of Manitoulin, in the Province of Ontario, thence northerly and easterly a distance of one hundred miles, crossing the main line of the Canadian Pacific

Railway Company at or near Onaping or Cartier stations, and also from a point in or near the township of Drury or Hyman on its said line of railway, thence easterly to the town of Sudbury, in the district of Nipissing, and also from a point at or near the said town of Little Current, thence southeasterly to a suitable point on the south shore of Manitoulin Island or Fitzwilliam Island, and from a point near Tobermora, in the county of Bruce, thence south and easterly to the town of Meaford, in the county of Grey, passing through or near the towns of Wiarton and Owen Sound; and

Whereas the Manitoulin Company, under and by virtue of chapter 74 of the statutes of Canada, 1 Edward VII. (1901), is empowered to construct and operate a line of railway from the town of Sudbury, in the district of Nipissing, thence northeasterly a distance of about fifty miles to Lake Tamagaming, and from a point on the Railway Company's line of railway in the township of Drury or Hyman, thence northwesterly by the most feasible route to a point on Lake Superior between Michipicoten Harbour and Batchewana Bay; and

Whereas so much of the line of railway of the Manitoulin Company as extends from Sudbury to the Gertrude Nickel Mine, a distance of thirteen and one-half miles, has been completely constructed and is now in operation; and

Whereas under and by virtue of an Act of the Legislature of Ontario, being chapter 23 of the statutes of Ontario, 1 Edward VII. (1901), it is provided that the Lieutenant-Governor-in-Council may set apart out of the ungranted lands of Ontario and within the District of Algoma and grant as subsidies to the Manitoulin Company ten thousand acres of land per mile of the Manitoulin Company's line of railway from Meaford to Owen Sound, a distance of twenty-one miles; ten thousand acres of land per mile of said railway from Wiarton passing through the town of Little Current, in the district of Manitoulin, to White Fish River, in the district of Algoma, but not including fifteen miles of water communication, a distance of one hundred and five miles of railway or thereabouts; ten thousand acres of land per mile for the Manitoulin Company's steel car ferry lines from Tobermora or some other suitable harbour on the north shore of the county of Bruce to Fitzwilliam Island or to the southeast shore of Manitoulin Island, a distance of fifteen miles or thereabouts; seven thousand four hundred acres of land per mile of said line of railway from White Fish River to Onaping station on the Canadian Pacific Railway line, a distance of forty-five miles or thereabouts; seven thousand four hundred acres of land per mile of said line of railway from a point on the said railway at or near the southeast corner of the township of Trill to Sudbury, a distance of thirty miles or thereabouts; and seven thousand four hundred acres of land per mile of the said line of railway from the said point at or near the southeast corner of the township of Trill to a point one hundred and thirty miles westerly towards Michipicoten or Batchewana Bay; and

Whereas for the purposes of the construction and equipment of said line of railway and in the conduct of its business and property, the Manitoulin Company has become largely indebted, and it is expedient, and the Manitoulin Company desires, to fund its indebtedness and to provide for making additions and extensions, and for such purposes, and for the purchase of additional equipment and property, to borrow money; and

Whereas the shareholders of the Manitoulin Company, at a special general meeting called in the manner provided by *The Railway Act*, have authorized the directors of the Manitoulin Company to issue its bonds, to be known as its first mortgage five per cent thirty-year gold bonds, to be limited to the aggregate principal amount at any one time outstanding of \$8,820,000 and to \$30,000 per mile of railway of the Manitoulin Company at the time of issue constructed, to be of the denomination of \$1,000 each, in coupon form, with the privilege of registration as to principal, to bear interest from January 1, 1903, at the rate of five per cent per annum, payable semi-annually on the first days of July and January in each year, to mature on the first day of January, 1933, and to be payable, both as to principal and interest, at the office or agency of the Manitoulin Company in the City of New York, in the State of New York, in the United States of America, in gold coin of said United States of or equal to the present standard of weight and fineness, free of tax, and to be redeemable at the option of the Manitoulin Company at par on any half-yearly interest day on thirty days' notice; and

Whereas for the purposes aforesaid, and in further pursuance of said resolutions of its board of directors and of its shareholders, the Manitoulin Company, in order to secure the payment of said first mortgage five per cent thirty-year gold bonds, has determined to execute and deliver a mortgage and deed of trust on and of all said lines of railway of the Manitoulin Company now owned or hereafter to be acquired, constructed or to be constructed, and on the appurtenant property, equipment, rights and franchises, and on and of all other railroads and all property of every character owned by the Manitoulin Company at the date of the execution and delivery of this indenture and at any time thereafter by it acquired, including any lands set apart by the Lieutenant-Governor-in-Council of the province of Ontario, and granted as subsidies to the Manitoulin Company, and on and of the revenues of the mortgaged premises; and

Whereas said resolutions of the shareholders of the Manitoulin Company were adopted and passed by the unanimous vote of holders of the entire capital stock of the Manitoulin Company at a special general meeting of said holders, held at Sault Ste. Marie, Ontario, on the 10th day of February, 1903, pursuant to resolutions of the board of directors of the Manitoulin Company calling such meeting, and pursuant to notice

duly given by publication in accordance with the provisions of *The Railway Act of Canada*; and

Whereas the bonds so to be issued are to be substantially in the following form :

DOMINION OF CANADA.

PROVINCE OF ONTARIO.

No.

\$1,000.

THE MANITOULIN AND NORTH SHORE RAILWAY COMPANY.

First Mortgage Five per cent Thirty Year Gold Bond.

The Manitoulin and North Shore Railway Company, herein-after called the Manitoulin Company, for value received, promises to pay to bearer, or, if this bond be registered, to the registered holder hereof, the sum of one thousand dollars, in gold coin of the United States of America of or equal to the present standard of weight and fineness, on the first day of January, 1933, at the office or agency of the Manitoulin Company in the City of New York, in the State of New York, in the United States of America, and to pay interest thereon from the first day of January, 1903, at the rate of five per centum per annum, payable at said office or agency, in like gold coin, semi-annually, on the first days of July and January in each year, upon presentation and surrender of the interest coupons hereto annexed, as they severally mature. Both the principal and interest of this bond are payable without deduction for any tax or taxes which the Manitoulin Company may be required to pay thereon or retain therefrom under any present or future law of the Dominion of Canada or of any province or municipality thereof, or of the United States of America or of any state, county or municipality thereof.

This bond is one of a series of coupon bonds of the Manitoulin Company, known as its First Mortgage Five Per Cent Thirty-Year Gold Bonds, limited to the principal amount of \$8,820,000 at any one time outstanding and to \$30,000 per mile of railway of the Manitoulin Company constructed at the time of issue, all of like tenor, date and amount, numbered from one consecutively upward, and all issued and to be issued under and equally secured by a mortgage and deed of trust, dated January 1, 1903, executed by the Manitoulin Company to Central Trust Company of New York, as trustee. For a description of the properties and franchises mortgaged, the nature and extent of the security, the rights of the holders of bonds, and the terms and conditions upon which the bonds may be issued and are secured, reference is made to said mortgage and deed of trust.

The bonds of this issue are subject to payment at par and accrued interest, at the option of the Manitoulin Company, on

any half-yearly interest day on thirty days' notice, as provided in said mortgage and deed of trust. This bond is entitled to the benefits of the sinking fund created under said mortgage and deed of trust and is subject to redemption for the purposes of said sinking fund at a premium of five per cent.

This bond shall pass by delivery unless registered in the name of the owner on the books of the Manitoulin Company, such registry being noted on the bond by the Manitoulin Company. After such registry, no transfer shall be valid unless made on said books by the registered holder in person, or by his attorney duly authorized in writing, and similarly noted on the bond, but the same may be discharged from registry by a transfer thereon to bearer and thereupon transferability by delivery shall be restored; but this bond may again, from time to time, be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons, which shall continue to be transferable by delivery.

If the Manitoulin Company shall make default in the payment of the principal of this bond or of the interest thereon when and as the same by the terms hereof or of said mortgage and trust deed securing this bond shall become due and payable, then at the next annual general meeting of the Manitoulin Company and at all subsequent meetings, the registered holder of this bond, the Manitoulin Company so being and remaining in default, shall in respect of this bond have and possess the same right and privilege and qualification for being elected a director and voting at general meetings as would attach to him as a shareholder if he held fully paid-up shares in the Manitoulin Company to an amount corresponding to the amount then due upon this bond, but subject to the provisions of the Railway Act.

This bond shall not be valid or become obligatory for any purpose until it shall have been authenticated by the certificate of the trustee under said mortgage and deed of trust hereon endorsed.

In witness whereof The Manitoulin and North Shore Railway Company has caused this bond to be signed by its president or one of its vice-presidents, and its corporate seal to be hereunto affixed and to be attested by its secretary or an assistant secretary, and coupons for said interest, with the engraved signature of its treasurer, to be attached hereto, as of the first day of January, 1903.

THE MANITOULIN AND NORTH SHORE RAILWAY
COMPANY.

Attest:

by

President.

Secretary.

[FORM OF INTEREST COUPON.]

No. .

\$25.

On the first day of , 19 , unless the bond hereinafter mentioned shall theretofore have been redeemed, The Manitoulin and North Shore Railway Company will pay to bearer, at its office or agency in the City of New York, N. Y., U. S. A., twenty-five dollars, United States gold coin, being six months' interest then due on its First Mortgage Five Per Cent Thirty-Year Gold Bond No.

Treasurer.

[FORM OF TRUSTEE'S CERTIFICATE.]

This is to certify that this bond is one of the bonds described in the within-mentioned mortgage and deed of trust.

CENTRAL TRUST COMPANY OF NEW YORK,

by

Vice President.

Now therefore, this indenture witnesseth, that in consideration of the premises and in order to secure the payment of all said bonds, which are hereinafter called first mortgage bonds, at any time issued and outstanding under this indenture, according to their tenor, purport and effect, as well the interest as the principal thereof, and to secure the performance and observance of all the covenants and conditions therein and herein contained, and to declare the terms and conditions upon which the first mortgage bonds are issued, received and held, and for and in consideration of the premises and of the acceptance or purchase of the first mortgage bonds by the holders thereof, and of the sum of one hundred dollars, lawful money, to it duly paid by the Trustee at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, the Manitoulin Company hath granted, bargained, sold, released, conveyed, confirmed, assigned, transferred and set over, and by these presents doth grant, bargain, sell, release,

convey, confirm, assign, transfer, and set over unto the Trustee, its successors in the trust and its and their assigns forever:

I

All and singular the line of railroad of the Manitoulin Company, constructed and to be constructed, now owned and hereafter to be acquired: Extending from a point at or near the town of Little Current, in the district of Manitoulin, in the province of Ontario, thence northerly and easterly a distance of one hundred miles, crossing the main line of the Canadian Pacific Railway at or near Onaping or Cartier stations; and also from a point in or near the township of Drury or Hyman on its said line of railway, thence easterly to the town of Sudbury, in the district of Nipissing; and also from a point at or near the town of Little Current, thence southeasterly to a suitable point on the south shore of Manitoulin Island or Fitzwilliam Island; and from a point near Tobermora, in the county of Bruce, thence south and easterly to the town of Meaford, in the county of Grey, passing through or near the towns of Wiarton and Owen Sound; and from the town of Sudbury, in the district of Nipissing, thence northeasterly a distance of about fifty miles to Lake Tamagaming; and from a point on the Manitoulin Company's line of railway, in the township of Drury or Hyman, thence northeasterly by the most feasible route to a point on Lake Superior between Michipicoten Harbour and Batchewana Bay;

All other railroads which the Manitoulin Company now owns or which it may at any time hereafter acquire, and also all the estate, right, title and interest of the Manitoulin Company in and to all other railroads in which the Manitoulin Company now has, or may hereafter acquire, a right, title or interest, whether leasehold or by operating contract, or by the acquisition of shares of stock in the companies owning the same or the obligations of such companies, or otherwise howsoever, subject, however, as to any railroads or interests therein hereafter acquired, to any liens thereon at the time of such acquisition thereof by the Manitoulin Company and to any purchase money liens thereon created in the acquisition thereof;

All telegraph and telephone lines, including all poles, wires and instruments; all rights of way, stations and depot grounds; all tunnels, roadbeds, spurs, sidings, double tracks, turnouts, switches and turntables; all superstructures, bridges, stringers, ties, rails and frogs, chairs, bolts, splices and other railroad appurtenances; all station houses, warehouses, elevators, docks, wharfs, harbours, freight houses, engine houses, car houses, water stations, water tanks, machine shops and other structures; all engines, tenders, cars and other rolling stock and equipment; all furniture, machinery, tools and implements; all materials and supplies; all leases, operating trackage and traffic agreements; all plans, profiles, specifications, books,

title deeds, assurances, contracts, paper and documents; the interest of the Manitoulin Company as the hirer or tenant of any property, real or personal; and all property, real, personal and mixed, of every character, which the Manitoulin Company now owns or which it may hereafter acquire;

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity, of the Manitoulin Company, of, in and to the above-described premises and property, and every part and parcel thereof, with the appurtenances and the franchises of the Manitoulin Company appertaining to the lines of railroad above described, and at any time subject to the lien of this indenture or hereafter to appertain thereto;

II

All and singular the said land grant and all lands which have been or may hereafter be granted, conveyed or patented to the Manitoulin Company or to which the Manitoulin Company may be entitled under and by virtue of the provisions of the said statute of the province of Ontario, chapter 23, 1 Edward VII., 1901, or any statute or Act that has been or may be passed amending, altering or varying the same, and all right, title and interest which the Manitoulin Company now has or may at any time hereafter have, to ask for, demand, take and receive the said lands or any part or parts thereof, a conveyance or patent or a transfer of the same or any part or parts thereof and all rights, claims and demands of every nature and kind whatsoever which the Manitoulin Company now has or at any time hereafter has or may or could or might have under and by virtue of the provisions of the said statute or any future statute amending, altering or varying the same or under the provisions of any contract or agreement with the said government of the province of Ontario and all the rents, issues and profits thereof, and also all the estate, right, title, interest, property, possession, claim and demand whatsoever which the Manitoulin Company now has or is entitled to, or shall or may hereafter acquire, into or concerning the said lands and land grant and all and every part or parcel thereof with the appurtenances thereto, with the exception, however, of any of the said lands which are or shall be used in the construction of the railway and any branches or extensions thereof or for the operation thereof, and of the telegraph line or lines of the Manitoulin Company, or for roadway, track, yard, depot grounds, buildings, wharfs, docks or other erections appertaining thereto;

III.

The undertaking of the Manitoulin Company and all tolls, revenues, earnings, income, rents, issues, profits and assets of the Manitoulin Company, present and future, and of all property at any time subject to this indenture ;

To have and to hold all and singular the said railroads, equipment, franchises, rents, revenues, assets and property unto the Trustee, its successors in the trust, and its and their assigns forever :

But in trust, nevertheless, for the common and equal use, benefit and security of all and singular the person or persons, firm or firms, bodies politic or corporate, who shall from time to time be holders of any of the first mortgage bonds or coupons, and without preference of any of said bonds over any of the others by reason of priority in the time of issue or negotiation thereof, or otherwise howsoever ; subject to the terms, provisions and stipulations in the first mortgage bonds contained, and for the uses, and purposes and upon and subject to the terms, conditions, provisoes and agreements herein-after expressed and declared :

ARTICLE ONE.

Sec. 1. The first mortgage bonds shall be executed on behalf of the Manitoulin Company, and delivered to the Trustee for authentication by it. In case the officers who shall have signed and sealed any of said bonds shall cease to be such officers of the Manitoulin Company before the bonds so signed and sealed shall have been actually authenticated and delivered by the Trustee, such bonds may, nevertheless, be adopted by the Manitoulin Company, and be issued, authenticated and delivered, as though the persons who signed and sealed such bonds had not ceased to be officers of the Manitoulin Company. The coupons to be attached to such bonds shall be authenticated by the engraved signature of the present treasurer or of any future treasurer of the Manitoulin Company, and the Manitoulin Company may adopt and use for that purpose the engraved signature of any person who shall have been such treasurer, notwithstanding the fact that he may have ceased to be such treasurer at the time when such bonds shall be actually authenticated and delivered. Only such bonds as shall bear thereon endorsed a certificate substantially in the form hereinbefore recited, executed by the Trustee, shall be secured by this indenture or entitled to any lien, right or benefit hereunder ; and such certificate of the Trustee upon any such bond executed on behalf of the Manitoulin Company shall be conclusive evidence that the bond so authenticated has been duly delivered to the Manitoulin Company, or upon its order, in accordance with the provisions of this indenture. Before authenticating or
366 delivering

delivering any first mortgage bond, all coupons thereon, then matured, shall be cut off, cancelled and delivered to the Manitoulin Company. The Manitoulin Company and the Trustee may deem and treat the bearer of any first mortgage bond which shall not at the time be registered as hereinafter authorized, and the bearer of any coupon for interest on any first mortgage bond, whether such bond shall be registered or not, as the absolute owner of such bond or coupon for the purpose of receiving payment thereof and for all other purposes whatsoever, and the Manitoulin Company and the trustee shall not be affected by any notice to the contrary.

Sec. 2. The Manitoulin Company will keep, at an office or agency to be maintained by it in the borough of Manhattan, in the city of New York, in the State of New York, U.S.A., or at some bank or trust company in said borough of said city, a sufficient register or registers of the first mortgage bonds, which shall at all reasonable times be open for inspection by the Trustee; and, upon presentation for such purpose, the Manitoulin Company will, under such reasonable regulations as it may prescribe, register therein any first mortgage bonds. The holder of any first mortgage bond may have the ownership thereof registered on said books, such registry being noted on the bond, after which no transfer shall be valid unless made on said books by the registered holder in person, or by his attorney duly authorized in writing, and noted on the bond; but the same may be discharged from registry by being in like manner transferred thereon to bearer, after which it shall be transferable by delivery. Such registration shall not affect the negotiability of the coupons belonging to any bond; but every such coupon shall continue to pass by delivery, and shall remain payable to bearer.

Sec. 3. Until the first mortgage bonds can be engraved and prepared, the Manitoulin Company may execute and deliver temporary bonds, substantially of the tenor of the bonds hereinbefore recited, except that no coupons shall be attached to said bonds, and the same may be for the payment of one thousand dollars or any multiple thereof, as the Manitoulin Company may determine. All such temporary bonds shall bear upon their face the words "Temporary first mortgage five per cent thirty-year gold bond, exchangeable for engraved bonds," and shall be duly authenticated by the Trustee in the same manner as the bonds hereinbefore described, and such authentication shall be conclusive evidence that the bond so authenticated has been duly delivered to the Manitoulin Company or upon its order, in accordance with the provisions of this indenture. Such temporary bonds, duly issued and authenticated hereunder, shall be exchangeable for engraved bonds to be issued hereunder, and upon any such exchange said temporary bonds shall be forthwith cancelled by the Trustee and delivered to the Manitoulin Company. Until so exchanged, the said temporary bonds shall in all respects be

entitled to the lien and security of this indenture, as bonds issued and authenticated hereunder; and interest, when and as payable, shall be paid and endorsed thereon.

Sec. 4. In case any first mortgage bond, with the coupons thereto appertaining, shall become mutilated or be destroyed or lost, the Manitoulin Company, in its discretion, may issue, and thereupon the Trustee shall authenticate and deliver a new bond of like tenor and date, bearing the same serial number, in exchange and substitution for, and upon cancellation of, the mutilated bond and its coupons, or in lieu of, and substitution for, the bond and its coupons so destroyed or lost. The applicant for such substituted bond shall furnish to the Manitoulin Company and the Trustee evidence of the destruction or loss of such bond and its coupons so destroyed or lost, which evidence shall be satisfactory to the Manitoulin Company and the Trustee in their discretion; and said applicant shall also furnish indemnity satisfactory to both of them in their discretion.

ARTICLE TWO.

The Trustee shall authenticate the first mortgage bonds and deliver the same as follows:

A. \$405,000, face amount, of the first mortgage bonds shall be authenticated and delivered to the Manitoulin Company, or on its order, in respect of its line of railway already constructed between Sudbury and the Gertrude Nickel Mine, on filing with the Trustee a copy of a resolution of the board of directors of the Manitoulin Company, certified under the corporate seal thereof by a proper officer thereof, requesting such delivery.

B. The residue of the first mortgage bonds, to wit, \$8,415,000 thereof, shall, in the discretion of the Manitoulin Company, be authenticated and issued at the rate of \$30,000 face amount of said first mortgage bonds per mile of additional main track of railway, hereinabove described, at the time of issue completely constructed.

The first mortgage bonds reserved under this subdivision shall be authenticated and delivered by the Trustee from time to time upon the delivery to the Trustee of a copy of a resolution or resolutions of the board of directors of the Manitoulin Company, under the corporate seal of the Manitoulin Company and certified by a proper officer thereof, requesting the authentication and delivery of said bonds and accompanied by a certificate or certificates stating the actual mileage of main track of said lines of railroad at the time completely constructed and owned by the Manitoulin Company and subject to this indenture.

Every such certificate, unless signed or purporting to be signed by the president or a vice-president and by an auditor, or by the treasurer or assistant treasurer or chief engineer of

the Manitoulin Company, shall be accompanied by a written statement of two such officers that they believe such certificate to be true.

Such resolutions, certificates and statements shall be full and sufficient authority to the Trustee for its authentication and delivery of first mortgage bonds as herein provided.

ARTICLE THREE.

Sec. 1. If the said sums of money in the first mortgage bonds mentioned, as well the principal as the interest thereof, shall be well and truly paid at the times and in the manner therein and herein expressed, according to the tenor and effect thereof, then and in such case the estate, right, title and interest of the Trustee, its successors in the trust, and its and their assigns, shall cease, determine and become void; and upon proof being given, to the reasonable satisfaction of the Trustee, that all said bonds have been paid off or satisfied, and upon payment of all costs, charges and expenses incurred by the Trustee in relation thereto, the Trustee shall cancel and satisfy this indenture of record and shall assign and deliver to the Manitoulin Company or its assigns, all property in the hands of the Trustee.

Sec. 2. The Manitoulin Company shall have the right, upon the maturity of the first mortgage bonds, to deposit with the Trustee, to the credit of the holder or holders of any bonds which shall not be presented for payment, the amount due thereon for principal and interest, and thereupon, and on payment of all costs, changes and expenses incurred by the Trustee in relation thereto, the Trustee shall satisfy this indenture, and cancel the same of record and assign and deliver to the Manitoulin Company or its assigns all property in its hands; and in case the owner of any such bond shall not, within one year after such deposit, claim the amount so deposited for payment thereof, the Trustee shall upon demand, pay over to the Manitoulin Company the amount so deposited.

ARTICLE FOUR.

The entire issue of first mortgage bonds may be redeemed by the Manitoulin Company on any half-yearly interest day, at par, provided that notice of such election of the Manitoulin Company shall have been given in two daily newspapers in the city of New York, N.Y., twice a week for three successive weeks, commencing not less than thirty days nor more than three calendar months prior to the day on which such redemption is to be made, stating such election on the part of the Manitoulin Company and that the interest on the first mortgage bonds will cease on the date so fixed for the redemption thereof, and requiring that said bonds be then presented for redemption. Notice having been so given, interest on the first mortgage bonds shall cease on such day so fixed for the

redemption thereof, and, on presentation in accordance with said notice, said bonds, on surrender thereof with the coupon maturing on said redemption date and all subsequent coupons shall be paid by the Manitoulin Company with accrued interest to such redemption date. If not so paid on presentation thereof, said bonds shall continue to bear interest at the rate aforesaid until payment.

On the deposit with the Trustee of the amount necessary so to redeem all outstanding first mortgage bonds, and on payment to the Trustee of all costs, charges and expenses incurred by the Trustee hereunder, the Trustee shall satisfy this indenture and discharge the same of record, and assign and deliver to the Manitoulin Company all securities and property in its hands.

ARTICLE FIVE.

Until the happening of one or more of the events of default hereinafter specified, the Manitoulin Company, its successors and assigns, shall be entitled to retain possession of the mortgaged railroads, equipment and appurtenant property, and to operate and use the same and receive and enjoy the earnings, income and profits thereof.

ARTICLE SIX.

Sec. 1. The Trustee shall cause to be transferred into its name as trustee under this indenture, or into the name or names of its nominee or nominees, all shares of the capital stock of any corporation the certificates for which shall be delivered to the Trustee hereunder, and may, in its discretion, cause to be registered in its name as Trustee any and all coupon bonds which the Trustee may receive under any of the provisions of this indenture, or may cause the same to be exchanged for registered bonds, without coupons, of any denomination.

Sec. 2. Unless some one or more of the events hereinafter denominated the events of default shall have happened and be continuing, the Trustee shall not collect, or be entitled to collect, except upon the request of the Manitoulin Company, the interest on any bonds that may be pledged with the Trustee under any of the provisions of this indenture or any of the dividends from time to time declared in respect of the stock of any company at the time pledged with the Trustee hereunder, and the Trustee shall at once pay over to the Manitoulin Company any such interest and dividends collected or received by the Trustee, and from time to time, upon the request of the Manitoulin Company, shall deliver to the Manitoulin Company the coupons for such interest in order that the Manitoulin Company may receive payment thereof for its own use, and shall deliver to the Manitoulin Company suitable orders in favour of the Manitoulin Company or its

nominee for the payment of such dividends on any stock standing in the name of the Trustee or its nominee. If any such coupons delivered to it as aforesaid shall not be forthwith voluntarily paid as aforesaid and cancelled, the Manitoulin Company shall and will return the same to the Trustee, and, in case of the payment of such coupons, upon demand of the Trustee, furnish satisfactory evidence that the same have been cancelled.

Sec. 3. The Manitoulin Company shall have the right, the Manitoulin Company not being in default under this indenture or any of the covenants hereof, to vote, for all purposes not contrary to the covenants of the Manitoulin Company set forth in Article Eleven hereof, upon all shares of stock of any corporation at any time pledged with the Trustee hereunder, and the Trustee shall from time to time, on the demand of the Manitoulin Company, cause to be executed and delivered to the Manitoulin Company or its nominee suitable powers of attorney to vote on such shares.

Sec. 4. The Trustee may at any time do whatever may be necessary for the purpose of preserving the corporate existence of any corporation whose stock shall be pledged with the Trustee hereunder, and, to that end, the Trustee may and, upon the request of the Manitoulin Company, shall assign and transfer, or cause to be assigned and transferred, so many shares of stock of any such corporation as may be necessary to qualify persons who may be chosen directors or officers thereof, but the Trustee may in such case, in its discretion, require the persons to whom such shares are transferred to agree to retransfer the same and deliver the certificates therefor under this indenture and may make such other arrangements as the Trustee may deem necessary for the protection of the trust under this indenture.

Sec. 5. If the Manitoulin Company shall make default in the payment of the principal or interest of any of the first mortgage bonds, or in the observance or performance of any of the covenants of this indenture on its part, then from and after such default and as long as such default shall continue, the Trustee shall exercise, in its absolute discretion, for the sole and exclusive benefit of the holders of the first mortgage bonds, all the rights of owner of the bonds and of the stock which may then be pledged with the Trustee hereunder, and shall collect the interest on said bonds and the dividends on said stock and apply the same as hereinafter, in Article Seven hereof, provided.

Sec. 6. The Trustee may at any time, in its discretion, and if requested by the Manitoulin Company (not being in default hereunder) shall consent to the extension or renewal of any of the bonds which may be pledged with the Trustee, and of the mortgages securing the same, and, in case of the renewal of any of said bonds, the Trustee may surrender the said bonds to the company issuing the same, or its successor, and receive

in lieu thereof renewal bonds bearing such interest and maturing at such time as the Trustee may deem reasonable; provided that such extended or renewal bonds shall be secured by, and represent, an equal or superior lien and charge upon the same property as the bonds renewed or extended, of which fact the certificate of the counsel of the Manitoulin Company shall be sufficient evidence to warrant the Trustee in acting in accordance therewith. All bonds received in exchange for, or in renewal of, bonds which may be pledged with, or assigned to, the Trustee, shall be held by the Trustee subject to the lien and to all the terms and provisions of this indenture, in the same manner and to the same extent as the bonds in exchange for which, or in the renewal of which, they were received.

Sec. 7. The pledge or assignment hereunder of any shares of stock of any company or companies shall not prevent the consolidation or merger of any one or more of said companies with the Manitoulin Company, or with any other company of whose capital stock not less than ninety per cent shall then be owned by the Manitoulin Company and be pledged with the Trustee hereunder, or the sale of the property of any such company to the Manitoulin Company, or to any such other company of whose capital stock not less than ninety per cent shall then be owned by the Manitoulin Company and be pledged with the Trustee hereunder, but such consolidation, merger or sale may be made under any laws to which such companies may then be subject, anything in this indenture contained to the contrary notwithstanding. In the event of the consolidation or merger of any one or more of the said companies with, or its sale to, the Manitoulin Company, this indenture shall immediately become and be a lien upon the property of the company so consolidated or merged with the Manitoulin Company or on the property so sold to the Manitoulin Company, with the same force and effect as if expressly conveyed by this indenture, and the holders of the first mortgage bonds shall always have as full and complete a lien upon such property as that upon the stock and bonds of such constituent companies created by the pledge or assignment thereof to the Trustee hereunder.

In the event of the consolidation of any such companies with each other, the portion of the capital stock of the company formed by such consolidation or merger (but never less than ninety per cent thereof) issued for and in lieu of any stock previously pledged or assigned hereunder, shall always bear to the total capital stock a proportionate relation at least as high as that borne by such previously pledged stock to the total capital stock of such constituent companies. Such portion of such stock of such successor company shall be pledged with or assigned to the Trustee, and shall become and be subject to the lien of this indenture with the same force and effect as if expressly assigned by this indenture; and the holders of the

first mortgage bonds shall always have a lien upon such portion of such stock of such successor company as full and complete as upon the stock of such constituent companies by reason of the pledge or assignment thereof hereunder.

Sec. 8. The Trustee, with the consent of the Manitoulin Company, at any time may take such steps as in its discretion shall be necessary to protect its interests hereunder in respect of any bonds, obligations or stock which may become subject to the lien hereof, and for that purpose it may join in any plan of reorganization in respect of any such bonds, obligations or stocks and may accept new securities issued in exchange therefor under such plan. In case the Manitoulin Company shall be in default in the payment of the principal or interest of any of the first mortgage bonds and such default shall have continued for the period of thirty days, the Trustee shall be entitled to take such steps without the consent of the Manitoulin Company. The Trustee shall have and, subject only as in this indenture specifically restricted, may exercise all the rights of owners in respect of any bonds, obligations or stock which may be held by the Trustee under this indenture.

Sec. 9. All lines of railroad and all property of every kind and character, and all interest therein, when and as and to the extent hereafter acquired, as herein provided, out of or from first mortgage bonds or the proceeds of first mortgage bonds or otherwise, shall, without any further conveyance or assignment, immediately upon such acquisition, become and be subject to the lien of this indenture as fully and completely as though now owned by the Manitoulin Company, and expressly and specifically conveyed by, and embraced in, the granting clause of this indenture; and the Manitoulin Company, shall and will execute and deliver any and all such further assurances or conveyances as the Trustee may reasonably direct or require for the purpose of expressly and specifically subjecting the same to the lien of this indenture.

ARTICLE SEVEN.

Sec. 1. No coupon belonging to any first mortgage bond, which in any way, at or after maturity, shall have been transferred or pledged separate and apart from the bond to which it relates, shall, unless accompanied by such bond, be entitled, in case of a default hereunder, to any benefit of, or from, this indenture, except after the prior payment in full of the principal of the first mortgage bonds issued hereunder and of all coupons not so transferred or pledged.

Sec. 2. If one or more of the following events, hereinafter called the events of default, shall happen, that is to say:

(a.) default shall be made in the payment of any instalment of interest on any of the first mortgage bonds when and as the same shall become payable, as therein and herein expressed, and such default shall continue for the space of thirty days, or

default shall be made in the payment of the principal of any of said bonds when the same shall become due and payable, by their terms, or by declaration or otherwise ; or

(b.) default shall be made by the Manitoulin Company in the observance or performance of any other of the covenants, conditions and agreements in the first mortgage bonds or in this indenture expressed, and the Manitoulin Company shall not remedy such default within three months after written notice stating such default, and requiring the Manitoulin Company to comply with the covenant or condition so in default, shall have been served upon the Manitoulin Company by the Trustee ; or

(c.) a receiver of the Manitoulin Company or of its lines of railway shall be appointed or an order made or effective resolution passed for the winding up or liquidation of the business of the Manitoulin Company ; or

(d.) a distress or execution shall be levied or enforced upon or against any of the chattels or property of the Manitoulin Company, or any execution or other process be sued out against the mortgaged premises or any part thereof ; or

(e.) the Manitoulin Company shall, without the consent in writing of the Trustee, cease to carry on its operations or threaten to cease to carry on the same ; the Trustee, personally or by its attorneys or agents, with or without the leave of any court of competent jurisdiction, forthwith may appoint a receiver or receivers of the said premises and property or any part or parts thereof, and every such receiver may enter into and upon all or any part of the mortgaged premises, and each and every part thereof, and may exclude the Manitoulin Company and its agents and servants wholly therefrom ; and, having and holding the same, may use, operate, manage and control said railroad and other premises, or any section or part thereof, regulate the tolls for the transportation of passengers and freight thereon, and conduct the business thereof, either personally or by superintendents, managers, receivers, agents, servants or attorneys to the best advantage of the holders of the first mortgage bonds, to the fullest extent authorized by law. The Trustee may from time to time discharge any receiver and if it sees fit appoint another receiver or receivers in his place.

Sec. 3. Upon every such entry, every such receiver may from time to time at the expense of the trust estate, either by purchase, repair or construction, maintain and restore and may insure or keep insured, in the same manner and to the same extent as is usual with railroad companies, the rolling stock, tools, machinery and other property, buildings, bridges and structures erected or provided for use in connection with said railroad and other premises, and of which it shall become possessed as aforesaid ; and likewise may from time to time, at the expense of the trust estate, make all necessary or proper repairs, renewals, replacements, alterations, additions, better-

ments and improvements thereto and thereon as to him may seem judicious. The receiver, in case of such entry, shall have the right to manage the mortgaged premises and to carry on the business and to exercise all the rights and powers of the Manitoulin Company, either in the name of the Manitoulin Company or otherwise, as the Trustee shall deem best, and shall be entitled to collect and receive all tolls, earnings, incomes, rents, issues and profits of the mortgaged premises and every part thereof, and every such receiver shall, as regards responsibility for his acts and defaults, be the agent of the Manitoulin Company.

Sec. 4. After deducting the expenses of operating said railroads and other premises, and of conducting the business thereof and of all repairs, maintenance, renewals, replacements, alterations, additions, betterments and improvements, and all payments which may be made for taxes, assessments, insurance and prior or other proper charges upon the mortgaged premises or any part thereof, as well as just and reasonable compensation for his own services and for the services of the Trustee and all counsel, agents and employees by it properly engaged and employed, every such receiver shall pay over the moneys arising as aforesaid to the Trustee, which shall apply the same as follows:

(a.) in case the principal of the first mortgage bonds shall not have become due, to the payment of the interest in default in the order of the maturity of the instalments of such interest, with interest thereon at the rate of five per cent per annum, such payments to be made ratably to the persons entitled thereto, without any discrimination or preference;

(b.) In case the principal of the first mortgage bonds shall have become due, by declaration or otherwise, first, to the payment of the accrued interest (with interest on the overdue instalments thereof at the rate of five per cent per annum in the order of the maturity of the instalments) and next, if any surplus remain, toward the payment of the principal of all the first mortgage bonds; such payments in every instance to be made ratably to the persons entitled thereto, without any discrimination or preference.

These provisions, however, are not intended in anywise to modify the provisions of section 1 of this Article, but are subject thereto.

Upon the payment in full of whatever may be due for principal and interest, or payable for other purposes, the mortgaged railroads and appurtenant property and lands shall be returned to the Manitoulin Company, its successors or assigns, to be held subject to the terms and conditions of this indenture, which shall, in like manner, apply in respect of all subsequent defaults.

Sec. 5. The Manitoulin Company, its successors and assigns, upon the happening of one or more of the events of default, shall and will immediately, upon demand made, deliver,

surrender and yield up the mortgaged premises to the receiver or receivers appointed by virtue hereof, and every such receiver is hereby constituted its and their irrevocable attorney, with power to enter upon and take possession of the mortgaged premises immediately upon the happening of such event or events of default as aforesaid; such entry by the receiver or receivers into the trust property shall be by the full license of the Manitoulin Company, its successors and assigns, and the Trustee is hereby authorized to use all necessary and reasonable force and means to obtain and hold such possession without being compelled to resort to any action or other legal proceeding.

Sec. 6. No entry into the possession of the mortgaged premises or any part thereof, by the Trustee or any receiver or other person, shall render the Trustee liable as mortgagee in possession or accountable for any moneys except those actually remitted to it and received by it at its head office in New York.

ARTICLE EIGHT.

Sec. 1. If one or more of the events of default shall happen, the Trustee may, and, upon the requisition of the owners of a majority in amount of the first mortgage bonds then outstanding, shall, declare the principal of all the first mortgage bonds to be forthwith due and payable without notice to the Manitoulin Company, anything in said bonds or herein contained to the contrary notwithstanding. This provision is, however, subject to the condition that if at any time after the principal of the first mortgage bonds shall have been so declared due and payable, all arrears of interest upon such bonds (with interest on overdue instalments of interest at the rate of five per cent per annum), and the charges and expenses of the Trustee, shall be paid by the Manitoulin Company or be collected out of the mortgaged premises before any sale of the mortgaged premises shall have been made, then and in every such case, the holders of a majority in amount of the first mortgage bonds then outstanding, by written notice to the Manitoulin Company and to the Trustee, may waive such default and its consequences, and obtain from the Trustee a rescission of such declaration of the maturity of the principal; but no such waiver shall extend to or affect any subsequent default, or impair any right consequent thereon.

Sec. 2. If the Manitoulin Company shall make default in the payment of the principal of any of the first mortgage bonds or of the interest thereon at the times when the same by the terms of the said bonds or of this indenture shall become due and payable, then at the next annual general meeting of the Manitoulin Company, and at all subsequent meetings, the registered holders of the first mortgage bonds, the Manitoulin Company so being and remaining in default, shall in respect of

said bonds have and possess the same rights and privileges and qualifications for being elected directors and voting at general meetings as would attach to them as shareholders if they held fully paid up shares of the Manitoulin Company to an amount corresponding to the amount then due upon their respective bonds, but subject to the provisions of the Railway Act.

ARTICLE NINE.

Sec. 1. If one or more of the events of default shall happen, the Trustee may, after the appointment of any receiver as aforesaid and after his entry into possession as aforesaid or after other entry or without the appointment of a receiver and without entry or either of them, sell and dispose of the lines of railway and undertaking of the Manitoulin Company and all and singular the property, rights and franchises hereinbefore expressed to be conveyed or intended so to be or any of them, and the Trustee may sell any section or sections of the railway which is or are in its opinion capable of being sold and operated separately, and the Trustee may sell separately from time to time any part or parts of the property or assets of the Manitoulin Company, which it would be lawful for the Manitoulin Company to sell or dispose of, and every sale by this article authorized may be made either by public auction or private contract or by tender or in such other manner as to the Trustee shall seem expedient and either with or without giving any notice of the intention to make such sale or sales, and any such sale may be made with or under any special conditions as to upset price, reserve bid or otherwise, and every such sale may be carried out and completed without any further consent or concurrence of the Manitoulin Company.

Sec. 2. A certificate from the Trustee of the happening of any one or more of the events of default, together with the production of this indenture, shall be sufficient evidence of such default, and no purchaser shall be bound to inquire into the correctness of such certificate, or whether any default has happened, or whether any sum remains secured by this indenture.

Sec. 3. If one or more of the events of default shall happen, then, and in each and every such case, the Trustee may forthwith proceed to protect and enforce its rights and the rights of bondholders under this indenture by action, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement, by foreclosure or sale, of this indenture for interest or for principal and interest, or for the enforcement of any other appropriate remedy, as the Trustee shall deem most effectual in support of any of its rights or duties hereunder.

Sec. 4. Upon commencement of judicial proceedings by the Trustee, to enforce any right under this indenture, the Trustee shall be entitled to exercise the right of entry herein conferred, and also any and all rights and powers herein conferred and provided to be exercised by the Trustee upon the occurrence and continuance of an event of default as hereinbefore provided; and, as matter of right, the Trustee shall be entitled to the appointment of a receiver of the mortgaged premises and of the earnings, revenue, rents, issues, profits and other income thereof, with such powers as the court making such appointment shall confer.

Sec. 5. Except as herein expressly provided to the contrary, no remedy herein conferred upon or reserved to the Trustee or to the holders of first mortgage bonds is intended to be exclusive of any other remedy, but every remedy herein provided shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, or by statute; and every power and remedy given by this indenture to the Trustee or to the bondholders may be exercised from time to time and as often as may be deemed expedient, but the Trustee shall at all times be entitled to continue to hold any stocks, bonds and other securities pledged or assigned to it hereunder.

Sec. 6. In case the Trustee shall have proceeded to enforce any right under this indenture by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case, the Manitoulin Company and the Trustee shall severally and respectively be restored to their former position and rights hereunder in respect of the mortgaged premises, and all rights, remedies and powers of the Trustee shall continue as though no such proceedings had been taken.

Sec. 7. In the event of any sale under and by virtue of the power of sale herein contained or by virtue of judicial proceedings or of any judgment or decree of sale, the whole of the mortgaged premises may be sold in one parcel and as an entirety, including all the rights, titles, estates, railroads, equipments, franchises, contracts, shares of stock, bonds and other real and personal property of every name and nature, or in parcels, as the Trustee shall in its discretion determine, and, if in more than one parcel, in such parcels as the Trustee may deem expedient, unless the holders of a majority in amount of first mortgage bonds then outstanding shall in writing request the Trustee to cause such premises and property to be sold in parcels, in which case the sale shall be made in such parcels as may be specified in such request. This provision shall bind the parties hereto and each and every of the holders of the first mortgage bonds and coupons, but shall not be deemed in any wise to restrict the Trustee in disaffirming in its discretion

any lease, or in surrendering any leasehold constituting part of the mortgaged premises, with the approval of the court, if any, in which proceedings may be pending for the enforcement of this indenture.

Sec. 8. Notice of any such sale, if intended to be made by auction, shall state the time when and the place where the same is to be made, and shall contain a brief general description of the property to be sold, and shall be sufficient if published once in each week for four successive weeks prior to such sale, in a newspaper published in Toronto, Ontario, and in a newspaper published in the city of New York, New York; and such notice shall also comply with any requirement of statute or rule or order of court. The Trustee may adjourn any such sale or cause the same to be adjourned from time to time by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, without further notice or publication, such sale may be made at the time and place to which the same shall be so adjourned.

Sec. 9. In case of sale of the trust estate, or of any part thereof, under the terms of this indenture, the principal of the first mortgage bonds, if not previously due, shall become immediately due and payable, anything in said bonds or in this indenture contained to the contrary notwithstanding.

Sec. 10. Upon the completion of any sale or sales, the Trustee shall execute and deliver to the accepted purchaser or purchasers a good and sufficient deed or deeds of conveyance, sale and transfer of the property sold. The Trustee and its successor or successors are hereby appointed the true and lawful attorney or attorneys irrevocable of the Manitoulin Company, in its name and stead to make all necessary deeds of conveyance, sale and transfer of such property, and for that purpose may execute all necessary acts of conveyance, assignment and transfer, and may substitute one or more persons or corporations with like power, the Manitoulin Company hereby ratifying and confirming all that its said attorney or attorneys, or such substitute or substitutes, shall lawfully do by virtue hereof. Nevertheless the Manitoulin Company shall, if so requested by the Trustee, ratify and confirm such sale by executing and delivering to the Trustee or to such purchaser or purchasers all proper deeds, conveyances and releases, as may be designated in such request.

Sec. 11. Any such sale or sales made under or by virtue of this indenture, either under the power of sale hereby granted and conferred or under and by virtue of judicial proceedings, shall divest all right, title, interest, estate, claim and demand whatsoever, either at law or in equity, of the Manitoulin Company of, in and to the property sold, and shall be a perpetual bar, both at law and in equity, against the Manitoulin Company, its successors and assigns, and against any and all persons claiming or to claim the property sold or any part thereof,

thereof, from, through or under the Manitoulin Company, its successors or assigns.

Sec. 12. In case of any sale of the mortgaged premises, whether under the power of sale hereby granted or pursuant to judicial proceedings, the purchase money, proceeds or avails, together with any other sums which may then be held by the Trustee or be payable to it under any of the provisions of this indenture as a part of the trust estate, shall be applied as follows :

(a.) to the payment of the costs, expenses, fees and other charges of such sale, and a reasonable compensation to the Trustee, its agents and attorneys, for its and their services, and for the services of all counsel, receivers, agents and employees, engaged, appointed or employed by it or them, and to the payment of all expenses and liabilities incurred and advances or disbursements made by the Trustee, and to the payment of all penalties, working expenditure, taxes, rates, levies, duties, assessments, charges or other liens prior to the lien of this indenture, except any taxes, rates, levies, duties, assessments, charges or other superior liens subject to which such sale shall have been made ;

(b.) any surplus then remaining, to the payment of the whole amount owing or unpaid upon the principal and interest of the first mortgage bonds, with interest on the overdue instalments of interest at the rate of five per cent per annum, and, in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the first mortgage bonds, then to the payment of such principal and interest, ratably, according to the aggregate of such principal and the accrued and unpaid interest, without preference or priority of principal over interest or of interest over principal, or of any instalment of interest over any other instalment of interest ;

(c.) any surplus then remaining, to the Manitoulin Company, its successors or assigns, or to whosoever may be lawfully entitled to receive the same.

These provisions, however, are not intended in anywise to modify the provisions of section 1 of article seven hereof, but are subject thereto.

Sec. 13. In case of sale of the mortgaged premises or any part thereof, the purchaser, for the purpose of making settlement or payment for the property purchased, shall be entitled to turn in or apply towards the payment of the purchase price and to be credited with any first mortgage bonds and any matured and unpaid coupons to the extent of the value of such bonds and coupons upon a distribution among the bondholders of the net proceeds of such sale after making the deductions allowable under the terms hereof for the costs and expenses of the sale and otherwise. But such bonds and coupons so applied in payment by the purchaser shall be deemed to be paid only to the extent so applied. At any such sale by auction, the Trustee, without incurring responsibility,

may buy in the property or any part thereof, and the Trustee may vary or rescind any contract of sale without being responsible for any loss occasioned thereby. The receipt of the Trustee or the payment into court of the purchase money if the sale be made under judgment or order of the court shall be a sufficient discharge for the purchase money to any purchaser of the property, or any part thereof, sold as aforesaid; and no such purchaser, or his representatives, grantees or assigns, after paying such purchase money and upon receiving such receipt, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this indenture, or be answerable in any manner whatsoever for any loss, misapplication or non-application of such purchase money or any part thereof.

Sec. 14. A receiver appointed by the Trustee may, in the discretion of the Trustee, accept possession of the mortgaged premises, although one of the events of default aforesaid shall not have happened, if the Manitoulin Company shall offer to give up possession thereof to a receiver appointed by the Trustee, and may thereupon manage and operate the mortgaged premises, into possession of which he shall so enter, and collect the income and earnings thereof, and apply the net income and earnings thereof as hereinbefore provided in case of an entry by a receiver into the mortgaged premises after the happening of an event of default, and the Trustee may, if thereunto requested by the holders of two-thirds in amount of the first mortgage bonds outstanding, to be evidenced by an instrument in writing under the hands of such holders or their attorneys thereunto duly authorized, accept at any time, after the happening of an event of default, a release of the property embraced in this indenture for no more than the sum remaining due on the security hereof, and thereafter, in that event, shall hold the mortgaged premises free from all the trusts hereof for the common benefit of all the owners of the first mortgage bonds then outstanding, in proportion to the respective interests of such owners.

Sec. 15. Upon application of the Trustee, and with the consent of the Manitoulin Company if an event of default shall not have happened, and without such consent if an event of default shall have happened, a receiver or receivers may be appointed to take possession of, and to operate and manage, the whole or any part of the mortgaged premises, wheresoever the same may be situated, with all the rights, powers and duties by this article conferred upon any receiver appointed under the provisions hereinbefore contained, and the Manitoulin Company shall transfer and deliver to such receiver or receivers all such premises and property wheresoever the same may be situated; and in every case in which a receiver or receivers of the whole or any part of the mortgaged premises shall be appointed under this article or otherwise, the trustee shall be entitled to receive all the surplus income and profits of such property for the benefit of the holders of the first mortgage bonds.

Sec. 16. A receiver may be appointed by the Trustee, with the consent of the Manitoulin Company if an event of default shall not have happened, and without such consent if an event of default shall have happened, to take possession of and to operate and maintain and manage the whole or any part of the mortgaged premises wheresoever the same may be situated; and the Manitoulin Company shall transfer and deliver to such receiver all such property wheresoever the same may be situated; and in every case when a receiver of the whole or part of the said property shall be appointed under this section the net income and profits of such property shall be paid over to and received by the Trustee for the benefit of the holders of the first mortgage bonds. Every such receiver may be invested with all or any of the powers and discretions of the Trustee and may exercise all or any of the powers conferred upon the Trustee by Article Seven thereof. The Trustee may from time to time remove any receiver so appointed and appoint another or others in his stead, who shall each have the like powers and discretions. Every receiver shall, so far as regards responsibility for his acts, be deemed to be the agent of the Manitoulin Company or its assigns.

ARTICLE TEN.

Sec. 1. Upon the written request of the Manitoulin Company, by order of its board of directors, the Trustee shall from time to time, while the Manitoulin Company is in possession of the mortgaged railroads, release from the lien and operation of this indenture any part of the mortgaged premises then subject thereto, other than the lands granted by subdivision II. of the granting clause hereof, the release of which shall be governed by the provisions of section 2 of this Article; provided that no part of the lines of main track or of the rights of way shall be released unless the same shall no longer be of use in the operation of any of the mortgaged lines of railroad, and that no part of such lines of track or rights of way shall be so released if thereby the continuity of the mortgaged lines of railroad shall be broken, and provided further that no part of the mortgaged premises shall be released hereunder unless at the time of such release it shall no longer be necessary or expedient to retain the same for the operation, maintenance or use of such railroads or for use in the business of the Manitoulin Company. No such release shall be made unless the Manitoulin Company shall have sold the property so to be released, or shall have contracted to sell or exchange the same for other property. The proceeds of any or all such sales and releases, and all moneys received as compensation for any property subject to this indenture taken by the exercise of any power of expropriation thereof, shall be deposited with the Trustee. The proceeds of any such sale or sales shall by the Trustee be set apart and held in trust and

applied to the purchase of other property, real or personal, which shall be subject to the lien of this indenture, or in betterments of or additions to the mortgaged premises, or in rolling stock for use thereon, which shall likewise be subject to the lien of this indenture; any such purchases shall be made or directed by the Manitoulin Company and paid for by the Trustee out of such proceeds, in pursuance of the written request of the Manitoulin Company by order of its board of directors, which request shall constitute a sufficient justification to the Trustee for the expenditure of such moneys; or, if not so applied, then said proceeds, to the extent aforesaid, may, on the request of the Manitoulin Company, be used by the Trustee in the manner hereinafter provided, for the redemption of the first mortgage bonds. Any new property acquired by the Manitoulin Company to take the place of any property released hereunder, shall, without further conveyance, become and be subject to the lien of this indenture as fully as if specifically mortgaged by this indenture; but, if requested by the Trustee, the Manitoulin Company shall convey the same to the Trustee, by appropriate deeds, upon the trusts and for the purposes of this indenture.

The Manitoulin Company may, from time to time, make surrender of, or changes or alterations in, or substitutions of, any and all leases, operating, trackage and traffic contracts, but no surrender shall be so made if thereby the continuity of the mortgaged lines shall be broken, nor without the approval of the Trustee; and leases or trackage rights so substituted, modified or altered shall forthwith become bound by and be subject to the terms of this indenture in the same manner as those previously existing.

The Manitoulin Company while in possession of the mortgaged railroads, shall also have full power, from time to time, in its discretion, to dispose of any portion of the equipment, machinery, tools and implements at any time held subject to the lien hereof, which may have become obsolete or otherwise unfit for such use; and agrees to replace the same by new equipment, machinery, tools or implements which shall become subject to this indenture.

Sec. 2. The Manitoulin Company shall and will, as soon as conveniently practicable, after the date hereof and from time to time, as the same shall be conveyed by the Province of Ontario, carefully value and appraise, or cause to be carefully valued and appraised, all and singular the lands authorized to be granted to the Manitoulin Company out of the ungranted lands of Ontario as aforesaid and to which the Manitoulin Company is now or shall hereafter become entitled, with the exception of such as may be required in the operation of the railway, in convenient sections, divisions or parcels for the sale thereof and shall cause a full and accurate list and description of said lands and premises containing, opposite each section, division or parcel, the value put upon the same,

to be deposited with the Trustee certified by the Manitoulin Company; such appraisalment shall be subject to the approval of the Trustee, which may accept such appraisalment without independent examination unless and until thereunto requested by the holders of not less than ten per cent in amount of the first mortgage bonds at the time outstanding; and such statement and appraisalment may, with the Trustee's consent, be from time to time revised, altered and corrected, a statement being in each case filed, as aforesaid; and the Manitoulin Company may at any time, in its discretion, contract for the sale of any section, division or parcel of said lands at the appraised value thereof, according to the last preceding statement of such value filed with the Trustee and approved by it, as aforesaid, and not otherwise, and shall be entitled to have such section, division or parcel of said lands conveyed to the person contracting for the purchase thereof, released from the lien hereof, upon payment to the Trustee of the purchase money, the same being not less than said appraised value thereof. In case the Manitoulin Company shall make sale of any such lands as aforesaid at a price equal to the appraised value thereof according to the last preceding statement filed with the Trustee, the purchaser or purchasers, upon payment of the full amount of their purchase money to the Trustee, shall be entitled upon demand to a discharge of the lands, so purchased by them, from the lien hereof, the expense of such discharge to be paid and borne by the said purchasers. Until such appraisalment has been made and approved as aforesaid the Manitoulin Company may proceed with the sale of the hereinbefore-mentioned lands hereby conveyed, or intended so to be, at such prices as it shall deem reasonable and as shall be approved by the Trustee. The Trustee is authorized and empowered, and it shall be the duty of the Trustee upon any such sale as aforesaid of any parcel of such lands and the payment of the purchase money by the purchasers thereof as aforesaid, to release and convey or join in releasing or conveying to the purchaser or purchasers thereof or his or their heirs or assigns, by proper deed or conveyance, the premises so sold and to discharge the same from the lien and operation of this indenture and the trusts hereby created, and such release and conveyance when executed shall invest the grantee or grantees therein named with a full and complete title to the premises thereby granted, free from all encumbrances, which title shall include as well the title of the Manitoulin Company as of the Trustee; provided, always, that after the appraisal of the said lands, as hereinbefore provided for, shall have been made, no section, division, piece or parcel thereof shall at any time be sold, released or conveyed as aforesaid below the appraised value thereof without the previous consent in writing of the Trustee to such sale.

Any of the lands aforesaid may be contracted to be sold as above provided wholly or partly on credit, provided that in

any and every case of a contract of sale wholly or partly on credit, with whomsoever the contract may be made, the purchaser or purchasers shall not receive a conveyance of the premises agreed to be sold, or any part thereof, until the purchase money has been paid in full to the Trustee, but such party may have delivered to him a contract in evidence of his purchase, and such contract, if assented to in writing by the Trustee, shall, subject to the performance of the conditions thereof and to the payment of the purchase money, relieve the land therein comprised from the lien of this indenture; every such contract may, with the assent in writing of the Trustee, be rescinded or varied; provided that, in case for any reason deemed by it sufficient, the Trustee may release and convey, or join in releasing and conveying, the said premises to the said purchaser or purchasers upon receiving the cash portion of such purchase money with a proper mortgage upon the premises so released and conveyed to secure the unpaid balance of such purchase money. All proceeds or sale of land grant lands, received by the Trustee, shall be held by the Trustee as a sinking fund, and shall be applied by the Trustee toward the redemption of the first mortgage bonds, in the manner hereinafter provided.

For the purpose of assenting to contracts for the sale of, or any rescission or variation thereof, and of granting and releasing from the lien of this indenture such of the lands and premises aforesaid as shall or may be sold or contracted to be sold in conformity with this indenture, the Trustee may appoint some suitable person as its agent or attorney, and thereupon the Trustee may act, and it is hereby authorized to act, by such agent or attorney and all instruments executed, contracts executed, rescinded or varied, and acts done by such agent or attorney in respect of the lands which shall be sold or contracted to be sold in conformity herewith shall be as valid and effectual to all intents and purposes, if the same be within the scope of the authority so given to such agent or attorney, as if the same were executed by the Trustee, provided that any such power of attorney may be revoked at the pleasure of the Trustee giving the same and a new attorney or attorneys substituted. Every deed or instrument appointing any such agent or attorney or removing the same shall be executed in duplicate and one of such duplicates shall be filed in the office of the Provincial Secretary of the Province of Ontario.

The Manitoulin Company shall at all times keep at its principal office a record of all the sales of land which shall be made or contracted for as aforesaid and of the price paid for the same and the manner in which the purchase money shall have been paid or secured, and such record shall at all reasonable hours and times be open to the inspection of the Trustee, and the Manitoulin Company shall furnish from time to time, at intervals of not less than one year, to the Trustee a true and correct copy thereof.

All expenses of the Trustee in connection with the release of said land grant lands, including its own compensation and the compensation of any attorney appointed by it, shall be paid semi-annually by the Manitoulin Company, and shall be secured under this indenture by a lien prior to the lien of the first mortgage bonds.

Sec. 3. If any receiver or receivers shall be in possession of the mortgaged railroads or any section or sections, part or parts thereof under any provision of this indenture, then all the powers conferred upon and reserved to the Manitoulin Company by this article may be exercised by such receiver or receivers in his or their discretion. A certificate under the corporate seal of the Manitoulin Company, signed by the president or a vice-president of the Manitoulin Company, or under the hand of any receiver, may be received by the Trustee as conclusive evidence of any of the facts mentioned in this article which must be established in order to authorize the release of any property hereunder, and shall be full warrant and protection to the Trustee for its action on the faith thereof.

Sec. 4. In no event shall any purchaser of property sold or disposed of under any provision of this article be required to see to the application of the purchase money.

Sec. 5. Any amounts which may be received by the Trustee, and which may, under any of the provisions of this article, be applicable to the redemption of the first mortgage bonds, shall be held by the Trustee as a sinking fund and shall be applied by the Trustee toward such redemption by the purchase of said bonds in the open market if obtainable at a premium of not exceeding five per cent and accrued interest. To the extent to which, on each first day of June and of December, such amounts shall not have been so applied to such redemption, the Trustee shall apply the same to the redemption of said bonds at a premium of five per cent in the following manner. The Trustee shall, in any usual manner to be from time to time fixed by the Trustee, designate the bonds to be redeemed by the application of the moneys in its hands. The Trustee shall forthwith give notice of such designation for redemption by publishing notice thereof three times a week for three successive weeks preceding the next half yearly interest day, in two newspapers of general circulation, published in the city of New York, in the State of New York. Such notice shall state the numbers of the bonds designated for redemption, shall require the holders thereof to present the same for redemption on such next half yearly interest day, and shall state that interest on said bonds will then cease. A similar notice shall also be mailed to the holder of each registered bond which may be so designated for redemption at his address upon the bond registry. Notice having been so given, interest on the first mortgage bonds so designated for redemption shall cease on such day, and, on presentation in accordance with said notice, said bonds, on

surrender thereof, with all unmatured coupons, shall be purchased by the Trustee at a premium of five per cent.

All bonds redeemed under any of the provisions of this article shall forthwith be cancelled by the Trustee and, on demand of the Manitoulin Company, delivered to it.

Sec. 6. The Trustee, however upon the written request from time to time of the holders of all the first mortgage bonds at the time of any such request outstanding, may release from the lien of this indenture any portion of the mortgaged property at the time subject to the lien of this indenture, upon payment to the Manitoulin Company or the Trustee, as may be specified in such request, of such consideration as may be therein approved.

ARTICLE ELEVEN.

The Manitoulin Company, for itself, its successors and assigns, covenants, promises and agrees as hereinafter in this article set forth, namely :

The Manitoulin Company will well and truly pay, unto the lawful owners and holders thereof, the interest and principal of the first mortgage bonds, when and as the same shall become due and payable, according to the tenor and effect of said bonds and coupons, without deduction from either principal or interest for any tax or taxes imposed by the Dominion of Canada or by any province or municipality thereof or by the United States of America or by any state, county or municipality thereof, which the Manitoulin Company may be required to pay thereon or to retain therefrom under or by reason of any present or future law; and all coupons, when and as paid, shall forthwith be cancelled.

The Manitoulin Company shall, until all the first mortgage bonds are fully paid or satisfied, pay or cause to be paid, when the same shall become due and payable, all taxes, rates, levies, duties, assessments and charges which may be lawfully imposed on the mortgaged premises, and other the trust estate, and on the interest of the Trustee in the trust estate; provided, however, that the Manitoulin Company shall not be required to pay any such tax, rate, levy, duty, assessment or charge so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof. Should the Manitoulin Company fail to pay any such tax or assessment or government charge, the Trustee may, without prejudice to any of its rights under this indenture by reason of such default, pay and discharge the same and have a lien upon the mortgaged premises for its advances for that purpose, prior to the lien of this indenture.

The Manitoulin Company shall properly maintain the mortgaged railroads and all other property at any time covered by this indenture, repairing, renewing and replacing the same as may be necessary, and shall properly preserve the franchises,

rights and privileges relating thereto, and shall keep all wooden bridges and trestles and all buildings, rolling stock and personal property at any time covered by this indenture properly insured against loss or damage by fire and shall exhibit the policies and the receipts for the payment of premiums to the Trustee on request. Should the Manitoulin Company fail to effect and keep in force such insurance, or to produce evidence thereof at a reasonable time before the expiration of any contract of insurance from time to time in force, the Trustee may insure such property in like manner. The proceeds of any policy of insurance shall be applied by the Manitoulin Company to the replacement or reconstruction of the destroyed or damaged property, or otherwise for the benefit of the mortgaged premises, or be paid to the Trustee and applied by the Trustee, in similar manner as prescribed in section 5 of article tenth toward the redemption of the first mortgage bonds.

The Manitoulin Company shall, until all the first mortgage bonds are fully paid and satisfied, keep each piece of equipment from time to time subject to the lien of this indenture plainly lettered on each side with the name of the Manitoulin Company.

The Manitoulin Company, its successors and assigns, shall and will, from time to time, and at all times hereafter, upon the reasonable request of the Trustee and its successors in the trust appointed according to the provisions hereof, make, do, execute, acknowledge and deliver all such further acts, deeds, conveyances and assurances in the law for the better and more effectually conveying, assuring and confirming unto the Trustee and its successors in the trust by this indenture created, for the further security and satisfaction of the first mortgage bonds, upon the trusts and for the uses and purposes herein expressed or intended, all and singular the railroads, franchises and property hereby mortgaged, conveyed or pledged, or intended so to be, as by the Trustee or any successor in the trust, under the advice of counsel, shall be reasonably advised or required.

The Manitoulin Company, its successors and assigns, will indemnify and save harmless the Trustee and its successors in the trust against all loss and damage to which it or they may be subjected by the execution of this trust, or by the operation or management of the mortgaged premises, not caused by the personal misconduct or neglect of the Trustee or its successors in the trust.

Any and all stock dividends which may be declared and which may become payable upon any shares of stock which may be pledged or assigned to the Trustee hereunder shall be transferred and delivered to the Trustee, and be by it held for the benefit of the holders of the first mortgage bonds with the same effect and subject to all the conditions and provisions hereof as if originally pledged hereunder. Should any of the

companies, whose shares may be so held, pay dividends in the form of bonds or certificates of indebtedness, or in any form other than money, the Trustee shall also be entitled to receive and to hold such dividends and certificates of indebtedness. In the event of the payment of dividends in the form of certificates of indebtedness as aforesaid, the interest which may be paid upon such certificates of indebtedness shall be collected and paid over as above provided concerning cash dividends.

The Manitoulin Company will not, except subject to the prior lien of this indenture, sell any of the shares of the stock that may become subject thereto; nor, except subject as aforesaid, pledge or agree to pledge or hypothecate the same; nor except subject as aforesaid and except as otherwise in this indenture provided, by any voluntary act or omission part with the ownership of or title to such stock or any part thereof, or with its equity of redemption therein, or the voting power thereon, but will hold all and singular the said shares of stock in such manner that, save as in this indenture otherwise provided, it shall retain in itself all its rights and powers as the holder of such stock.

The Manitoulin Company, as such holder of such stock and except as in this indenture otherwise provided, will not by affirmative vote, or by abstaining from voting, or in any other manner, directly or indirectly, sanction or, holding a majority of the stock thereof, permit the guaranty of any bonds by such company, or sanction or permit any increase of the capital stock of any of said companies, or the creation of any additional mortgage or other lien upon any of their railroads, properties, rights, privileges or franchises, or the issue of any bonds under any such mortgage, unless effective provision shall be made that such proportion of such additional stock as the amount of capital stock so held by the Manitoulin Company shall bear to the total issued capital stock of such other company, and all of said bonds, shall, immediately upon their creation and issue, be received and pledged or assigned by the Manitoulin Company to the Trustee, subject to all the trusts of this indenture, and with the same effect as if at the date hereof and hereby such evidences of indebtedness, bonds and shares had been delivered and pledged or had been assigned to said Trustee. Any and all shares of stock so received and pledged or so assigned shall be fully paid up and be non-assessable.

ARTICLE TWELVE.

Sec. 1. No holder of any first mortgage, bond or coupon shall have the right to institute any suit, action or proceeding at law or in equity upon or in respect of this indenture, or for the execution of any trust or power hereof or for the appointment of a receiver, or for any other remedy under or upon this indenture, unless such holder shall previously have given to

the Trustee written notice of any existing default and of the continuance thereof, as hereinbefore provided ; nor unless also the holders of fifteen per cent in amount of the first mortgage bonds then outstanding shall have made written request upon the Trustee and shall have afforded to it reasonable opportunity to proceed itself to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name after such right of action shall have accrued to the Trustee; nor unless also such holder or holders shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred in or by reason of such action, suit or proceeding ; and such notification, request and offer of indemnity are hereby declared, in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this indenture and to any action or cause of action for foreclosure or sale, or for the appointment of a receiver, or for any other remedy hereunder ; it being intended that no one or more holders of first mortgage bonds or coupons shall have any right in any manner whatever to affect, disturb or prejudice the lien of this indenture by his or their action, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings hereunder shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of such outstanding bonds and coupons ; but the foregoing provisions of this section are intended only for the protection of the Trustee, and shall not be construed to affect any discretion or power by any provision of this indenture given to the Trustee to determine whether or not it shall take action in respect of any default without such notice or request from bondholders, or to affect any other discretion or power given to the Trustee.

Sec. 2. No delay or omission of the Trustee, or of any holder of first mortgage bonds, to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein ; and every power and remedy given by this indenture to the Trustee or to the bondholders may be exercised from time to time, and as often as may be deemed expedient by the Trustee or by the bondholders.

ARTICLE THIRTEEN.

Sec. 1. The Trustee accepts the trusts of this indenture and agrees to execute them upon the following terms and conditions to which the parties and the holders of the first mortgage bonds agree :

The Trustee shall be under no obligation to see to the record, registry or filing of this indenture ; or, while not in possession thereof, to see to the insurance of the mortgaged
390
property,

property, or to the payment of taxes, rates, levies, duties, assessments or charges thereon; or to the performance or observance of any of the covenants or agreements on the part of the Manitoulin Company; and the Trustee may and shall authenticate and deliver the first mortgage bonds in accordance with the provisions hereof on the execution and delivery of this indenture, and notwithstanding this indenture shall not have been filed, registered or recorded.

The Trustee shall be entitled to reasonable compensation for all services rendered by it in the execution of the trusts hereby created and such compensation, as well as the reasonable compensation of its counsel and of such persons as it may employ in the administration or management of the trust, and all other reasonable expenses necessarily incurred and actually disbursed hereunder, the Manitoulin Company agrees to pay, and for such payment the Trustee shall have a lien on the trust estate prior to the lien of this indenture.

The Trustee shall not be responsible in any manner whatsoever for the recitals herein contained as to the acts or powers of the Manitoulin Company or its stockholders or otherwise, all of which are made by the Manitoulin Company solely.

Unless and until the Trustee shall have received written notice to the contrary from the holders of not less than fifteen per cent in amount of the first mortgage bonds outstanding, the Trustee may, for all the purposes of this indenture, assume that no default has been made in the payment of any of the first mortgage bonds or of the interest thereon; or in the observance or performance of any of the covenants contained in the first mortgage bonds or in this indenture; that no receiver has been appointed of the Manitoulin Company or of its lines of railroad; that no order has been made or effective resolutions passed for the winding up or for the liquidation of the Manitoulin Company; that the Manitoulin Company is not in default under this indenture; and that none of the events hereinbefore denominated events of default has happened.

The Trustee shall not be under any obligation to take any action toward the execution or enforcement of the trusts hereby created which, in its opinion, will be likely to involve it in expense or liability, unless one or more of the holders of the first mortgage bonds shall, as often as required by the Trustee, furnish reasonable security and indemnity against such expense or liability; nor shall the Trustee be required to take notice of any default hereunder unless notified in writing of such default by the holders of at least fifteen per cent in amount of the first mortgage bonds then outstanding; or to take any action in respect of any such default involving expense or liability unless requested by an instrument in writing signed by the holders of not less than fifteen per cent in amount of the first mortgage bonds then outstanding and unless tendered reasonable security and indemnity as aforesaid, anything herein contained to the contrary notwithstanding;

standing; but neither any such notice or request, nor this provision therefor, shall affect any discretion herein given to the Trustee to determine whether or not the Trusteeshall take action in respect to such default, or to take action without such request.

The Trustee may employ agents or attorneys in fact, and shall not be answerable for the default or misconduct of any agent or attorney appointed by it in pursuance hereof, if such agent or attorney shall have been selected with reasonable care, nor for anything whatever in connection with this trust, except wilful misconduct or gross negligence.

The Trustee shall be reimbursed and indemnified against any liability or damage it may sustain or incur in the premises, and shall have a lien upon the trust estate prior to the lien of first mortgage bonds for its compensation and expenses, and also for any such liability or damages.

The Trustee may advise with legal counsel, and any action under this indenture, taken or suffered in good faith by the Trustee in accordance with the opinion of counsel, shall be conclusive on the Manitoulin Company and on all holders of the first mortgage bonds.

Sec. 2. The Trustee may resign and be discharged from the trusts created by this indenture by giving to the Manitoulin Company notice in writing, and to the bondholders notice by publication, of such resignation, specifying a date when such resignation shall take effect, which notice shall be published at least once, on a day not less than thirty days nor more than sixty days prior to the date so specified, in a daily newspaper of general circulation at that time published in the City of New York, N.Y. Such resignation shall take effect on the day specified in such notice, unless previously a successor trustee shall be appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor trustee.

Any Trustee hereunder may be removed at any time by an instrument in writing filed with the Trustee for the time being under this indenture and executed by the holders of two-thirds in amount of the first mortgage bonds then outstanding.

Sec. 3. In case at any time the Trustee shall resign or shall be removed, or otherwise shall become incapable of acting, a successor may be appointed by the holders of a majority in amount of the first mortgage bonds then outstanding, by an instrument or concurrent instruments signed by such bondholders or their attorneys-in-fact duly authorized, but, until a new trustee shall be appointed by the bondholders as herein authorized, the Manitoulin Company may, by proper instrument in writing, executed by order of its board of directors, appoint a trustee to fill such vacancy. Any trustee in succession to the Trustee, appointed under any of the provisions of this article, shall always be a trust company having an office in the Borough of Manhattan, in the city of New York, N.Y.,

and having a capital and surplus aggregating at least two million dollars, if there shall be such a trust company willing and able to accept the trust upon reasonable or customary terms. The Trustee, and every such successor trustee, shall be exempt from giving any bond or surety in respect of the execution of the trusts or powers herein contained, or otherwise in respect of the premises.

After any such appointment by the Manitoulin Company it shall cause notice of such appointment to be published once a week in each of four successive weeks in two daily newspapers of general circulation published in the City of New York, N.Y., but any new trustee so appointed by the Manitoulin Company shall immediately and without further act be superseded by a trustee appointed in the manner as above provided by the holders of a majority in amount of the first mortgage bonds.

Sec. 4. Any successor trustee appointed hereunder shall execute, acknowledge and deliver to the Manitoulin Company an instrument accepting such appointment hereunder, and thereupon such successor trustee without any further act, deed or conveyance shall be vested with the appropriate authority, rights, powers and duties herein provided in that behalf, and, upon the death, resignation or removal of any trustee, all the estate, right, title and interest of such trustee in the trust estate shall wholly cease and determine; but nevertheless, the Manitoulin Company, its successors and assigns, will, in any and every such case, execute upon such request any such deeds, conveyances or assurances as shall, in the judgment of the trustee so appointed, be desirable or necessary to enable the trustee so appointed to execute the trusts by this indenture created as fully and completely as if such appointed trustee had been originally a trustee; and in every case of resignation by a trustee, or of removal of a trustee, the trustee so resigning or removal shall, at the request of the Manitoulin Company, its successors or assigns, or of the trustee so appointed, make and execute such deeds, conveyances or assurances to its successors. All the conveyances hereinbefore provided for shall be at the cost of the Manitoulin Company, its successors or assigns.

ARTICLE FOURTEEN.

Sec. 1. Nothing in this indenture, or in any of the first mortgage bonds, shall prevent the consolidation or merger with the Manitoulin Company, or the sale of the Manitoulin Company, of the railroads, property or franchises of any other company; provided, however, that such consolidation, merger or sale shall be upon such terms as to preserve and not to impair the lien of this indenture, or any of the rights and powers of the Trustee or the holders of the first mortgage bonds.

Sec. 2. Nothing in this indenture or in any of the first mortgage bonds shall prevent the consolidation or merger of the Manitoulin Company with any other corporation or the sale, subject to the continuing lien of this indenture, by the Manitoulin Company of its railroads, property and franchises as an entirety; provided that as a condition of such sale, or as a part of such consolidation or merger, the successor corporation formed in such consolidation or into which the Railway Company shall have been so merged, or to which such sale shall have been made, shall assume the due and punctual payment of the principal and interest of all of the first mortgage bonds and the performance of all the covenants and conditions of this indenture.

Sec. 3. In case any other company shall be so consolidated with the Manitoulin Company, or in case the Manitoulin Company shall be so consolidated or merged with any other corporation, or in case of the sale by the Manitoulin Company of its railroads, franchises and property, the successor corporation formed by such consolidation, or into which the Manitoulin Company shall have been merged, or to which such sale shall have been made, upon executing and causing to be recorded an indenture with the Trustee, whereby such successor corporation shall assume the due and punctual payment of the principal and interest of all the first mortgage bonds, and the performance of all the covenants and conditions of this indenture, shall succeed to and be substituted for the Manitoulin Company, with the same effect as if it had been named herein as the party of the first part, and such successor corporation may thereupon cause to be signed, and may issue, either in its own name or in the name of the Manitoulin Company, any or all of the bonds of this series, which shall not theretofore have been signed by the Manitoulin Company and delivered to the Trustee, and the Trustee, upon the order of such successor corporation in lieu of the Manitoulin Company, and subject to all the terms, conditions and restrictions herein prescribed, shall authenticate and deliver any and all bonds which shall have been previously signed by the officers of the Manitoulin Company and delivered to the Trustee for authentication, and any and all of such bonds which such successor corporation shall thereafter cause to be signed and delivered to the Trustees for that purpose. All the bonds so issued shall have the same lien and security as bonds theretofore or thereafter issued, in accordance with the terms of this indenture, as though all of said bonds had been actually issued by the Manitoulin Company as of the date of the execution hereof.

Sec. 4. For every purpose of this indenture, including the execution, issue and use of any and all said bonds, the term, the Manitoulin Company, includes and means not only The Manitoulin and North Shore Railway Company, but also any such successor corporation. Every such successor corporation shall possess, and from time to time may exercise, each and

every right and power hereunder of The Manitoulin and North Shore Railway Company, in its name or otherwise, and any act or proceeding by any provision of this indenture required to be done or performed by any board or officer of the Manitoulin Company, may be done and performed with like force and effect by the like board or officer of any corporation that shall at the time be such lawful successor of the Manitoulin Company.

ARTICLE FIFTEEN.

No recourse under or upon any obligation, covenant or agreement contained in this indenture or any first mortgage bond or coupon, or under any judgment obtained against the Manitoulin Company or otherwise, shall be had against any incorporator, stockholder, officer or director of the Manitoulin Company, or of any successor corporation, either directly or through the Manitoulin Company, by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any statute or otherwise. This indenture and the first mortgage bonds are solely corporate obligations, and no personal liability whatever shall attach to or be incurred by the stockholders, directors or officers of the Manitoulin Company or of any successor corporation, or any of them, under or by reason of any of the obligations, covenants or agreements contained in this indenture, or in any of the first mortgage bonds or coupons, nor shall any such personal liability be implied therefrom ; and any and all personal liability of every name and nature, whether at common law or in equity, or by statute or constitution, of every such stockholder, officer or director is hereby expressly waived as a condition of and consideration for the execution of this indenture and the execution and issue of such bonds and coupons.

ARTICLE SIXTEEN.

Any request or other instrument required by this indenture to be signed and executed by bondholders may be in any number of concurrent instruments of similar tenor, and may be executed by such bondholders in person, or by an agent or attorney appointed by an instrument in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent or attorney, or of the holding by any person of bonds transferable by delivery, shall be sufficient for any purpose of this indenture, and shall be conclusive in favour of the Trustee with regard to any action taken by the Trustee under such request or other instrument, if made in the following manner, viz. : (a) the fact and date of the execution by any person of any such request or of any other instrument in writing may be proved by the certificate of any notary public or other officer authorized to take, either within

or without the State of New York, acknowledgments of deeds to be recorded in said State, certified that the person signing such request or other instrument acknowledged to him the execution thereof; or by the affidavit of a witness to such execution; (b) the amount of bonds transferable by delivery held by any person executing any such request or other instrument as bondholder, and the issue numbers of the bonds held by such person and the date of his holding the same, may be proved by a certificate issued by any trust company, bank or other depository (wheresoever situated) whose certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with such depository or exhibited to it the bonds numbered and described in such certificate, and such holding shall be deemed to continue for two calendar months ensuing the date of such certificate; (c) the ownership of registered bonds shall be proved by the books for the registry of such bonds as provided in the first article hereof.

ARTICLE SEVENTEEN.

Any written demand, request, notice, designation, direction or nomination, to be made by the Manitoulin Company under any of the provisions hereof, shall be deemed sufficiently made and executed, if executed under the corporate seal of the Manitoulin Company by the president or by a vice-president of the Manitoulin Company. The Trustee may receive a certificate signed by the secretary or by an assistant-secretary of the Manitoulin Company as sufficient evidence of the passage of any resolution by the board of directors of the Manitoulin Company, or by the executive committee of said board.

The term Trustee, when herein used shall be held and construed to mean the trustee for the time being, original or successor; and the words trustee, bond, bondholder and holder shall include the plural as the singular number.

ARTICLE EIGHTEEN.

The Manitoulin Company will not at any time insist upon or plead, or in any manner whatever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of or lien of this indenture, nor will it claim, take, or insist upon any benefit or advantage from any law now or hereafter in force providing for the valuation or appraisal of the mortgaged premises or the trust estate, or of any of the securities or stock at any time forming part of the trust estate, prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree of any court of competent jurisdiction; nor will it, after any such sale or sales, claim or exercise any right,

under any law or statute whenever enacted and now or at any time hereafter in force, to redeem the mortgaged premises or the trust estate, or any part thereof, or of any securities or stock so sold; and the Manitoulin Company hereby expressly waives all benefit or advantage of any such law or laws, and covenants that it will not hinder, delay or impede the execution of any power herein granted and delegated to the Trustee, but will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

ARTICLE NINETEEN.

Nothing in this indenture expressed or implied is intended, or shall be construed, to confer upon, or to give to, any person or corporation, other than the parties hereto and the holders of the first mortgage bonds, any right, remedy or claim under or by reason of this indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this indenture contained by or on behalf of the Manitoulin Company shall be for the sole and exclusive benefit of the parties hereto and of the holders of the first mortgage bonds.

In witness whereof The Manitoulin and North Shore Railway Company has caused its corporate seal to be hereunto affixed and this indenture to be signed by its president or a vice-president and by its secretary or an assistant-secretary, and Central Trust Company of New York, in token of its acceptance of this trust, has caused its corporate seal to be hereunto affixed and this indenture to be signed by its president or a vice-president and by its secretary or an assistant-secretary.

THE MANITOULIN AND NORTH SHORE RAILWAY
COMPANY,

by

T. C. SEARCH,
Vice-President.

Seal of The
Manitoulin
and North
Shore Rail-
way Com-
pany.

Attest

J. PARKE HOOD,
Secretary.

Executed, acknowledged and delivered }
by the Manitoulin and North Shore }
Railway Company in the presence of }

E. H. SANBORN.

CENTRAL TRUST COMPANY OF NEW YORK,

by

J. N. WALLACE,
Fourth Vice-President.

Attest:

G. BERTINE,
Secretary.Executed, acknowledged and delivered }
by Central Trust Company of New }
York in the presence of }

WILLIAM D. EATON.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 121.

An Act for the relief of Clara Bidwell McDermot.

[Assented to 7th June, 1905.]

WHEREAS Clara Bidwell McDermot, formerly Clara Bidwell Willcox, of the village of Port Perry in the county of Ontario and province of Ontario, the wife of George Burton McDermot, formerly of the same place but now residing near the village of Golden in the province of British Columbia, rancher, hath, by her petition, set forth that on the twenty-ninth day of November, one thousand eight hundred and eighty-one, she was lawfully married at the said village of Port Perry to him; that they cohabited from the date of such marriage until about the month of March, one thousand eight hundred and eighty-nine; that there were born of such marriage three children; that from, in or about the month of April, one thousand nine hundred and one, until about the month of April, one thousand nine hundred and three, he was an habitual frequenter of a house of ill-fame in the said village of Golden and between said dates, at said place, committed adultery with various women in the said house of ill-fame; that he also committed adultery at the said village of Golden about the month of November, one thousand nine hundred and three, with a certain other woman; and whereas she has prayed that the said marriage may be dissolved and that she may be authorized to marry again, and that such further relief may be afforded her as is deemed meet; and whereas she has proved the said allegations of her petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The said marriage between the said Clara Bidwell McDermot, formerly Clara Bidwell Willcox, and the said George Burton McDermot, her husband, is hereby dissolved and shall be henceforth null and void to all intents and purposes whatsoever.

Marriage dissolved.

Right to
marry again.

2. The said Clara Bidwell McDermot, formerly Clara Bidwell Willcox, may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said George Burton McDermot had not been solemnized.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 122.

An Act respecting the Medicine Hat and Northern Alberta Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Medicine Hat and Northern Alberta Railway Company has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition : Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

1. Section 11 of chapter 74 of the statutes of 1902, and section 2 of chapter 152 of the statutes of 1903, are repealed.

Repeal of sections extending time.

2. The Medicine Hat and Northern Alberta Railway Company may commence the construction of its railway and expend fifteen per cent of the amount of its capital stock thereon within two years after the fifteenth day of May, one thousand nine hundred and five, and may finish the said railway and put it in operation within five years after the said fifteenth day of May, one thousand nine hundred and five ; and if the said railway is not so commenced, and such expenditure is not so made, or if the said railway is not finished and put in operation within the said periods respectively, the powers of construction conferred upon the said Company by Parliament shall cease and be null and void as respects so much of the said railway as then remains uncompleted.

Time for construction of railway extended.

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4-5 EDWARD VII.

CHAP. 123.

An Act respecting a certain Patent of the Metal Volatilization Company.

[Assented to 20th July, 1905.]

WHEREAS the Metal Volatilization Company has by its Preamble.
petition represented that it is the holder of a certain patent for new and useful improvements in processes for the reduction of refractory ores, which was issued under the seal of the Patent Office, is dated the fourth day of June, one thousand nine hundred and one, and is numbered 71,645; and whereas the said Company has prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Notwithstanding anything in *The Patent Act*, as amended by chapter 46 of the statutes of 1903, or in the patent mentioned in the preamble of this Act, the Commissioner of Patents may, within three months after the passing of this Act, receive a petition for the making of, and, if in his discretion he thinks proper, may make an order that the said patent, instead of being subject to the conditions set forth in section 4 of the said chapter 46, shall be subject to the conditions set forth in paragraphs (a.), (b.), (c.) and (d.) of section 7 of the said chapter 46; and the failure to construct or manufacture in Canada under the said patent up to the date of the passing of this Act or within three months thereafter shall be deemed not to have affected the validity of the said patent.

R.S.C., c. 61.
1903, c. 46.
Power to
Commissioner
of Patents to
make an order
for license to
manufacture.

2. If any person, other than any licensee, has, in the period between the first day of June, one thousand nine hundred and five, and the date of the passing of this Act, commenced to manufacture, use and sell in Canada the patented invention

Existing
rights
preserved.

covered by the said patent, such person may continue to manufacture, use and sell such invention in as full and ample a manner as if this Act had not been passed.

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4 - 5 EDWARD VII.

CHAP. 124.

An Act respecting the Molsons Bank.

[Assented to 16th May, 1905.]

WHEREAS the Molsons Bank has, by its petition, prayed Preamble.
that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate 1855, c. 202 ;
1863, c. 42 ;
1871, c. 5, sch.
and House of Commons of Canada, enacts as follows:—

1. The capital stock of the Molsons Bank, which is now divided into shares of fifty dollars each, shall be re-divided into shares of one hundred dollars each, and each present shareholder shall be entitled to have allotted to him one share of one hundred dollars for every two shares of fifty dollars each which he now holds, or to which he is entitled, in the capital stock of the said Bank, but in the case of any person holding only one share of fifty dollars, or an odd number of shares of fifty dollars each, the said Bank shall pay to every such holder the full market value in cash of such single share or of the odd share, as the case may be, and this payment shall operate as an extinguishment of the right of such holder to such single or odd share. Redivision of capital stock.

2. The shares of one hundred dollars each which thus remain after allotting to each shareholder one share of one hundred dollars for every two shares of fifty dollars each held by him, may be offered by the said Bank for subscription to the public. Subscription for shares.

3. In order to carry into effect the provisions of this Act, the directors may call in the present certificates of stock and issue new certificates to the shareholders in the place thereof. New certificates of stock.



4-5 EDWARD VII.

CHAP. 125.

An Act to incorporate the Monarch Bank of Canada.

[Assented to 20th July, 1905.]

WHEREAS the persons hereinafter named have by their Preamble.
petition prayed that an Act be passed for the purpose of
establishing a bank in Canada, and it is expedient to grant the
prayer of the said petition: Therefore His Majesty, by and
with the advice and consent of the Senate and House of
Commons of Canada, enacts as follows :—

1. The persons hereinafter named, together with such others Incorpora-
as become shareholders in the corporation by this Act created tion.
are hereby constituted a corporation by the name of "The Corporate
Monarch Bank of Canada," hereinafter called the "Bank." name.

2. The capital stock of the Bank shall be two million Capital.
dollars.

3. The chief office of the Bank shall be at the city of Chief office.
Toronto, in the county of York, in the province of Ontario.

4. William Samuel Cochrane, of the city of Montreal, Provisional
Thomas Henry Graham, David William Livingstone, Edward directors.
James Lennox, Thomas Marshall Ostrom and Alfred Harshaw
Perfect, all of the city of Toronto, shall be the provisional
directors of the Bank.

5. This Act shall, subject to the provisions of section 16 of Duration
The Bank Act, remain in force until the first day of July in of Act.
the year one thousand nine hundred and eleven. 1890, c. 31.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 126.

An Act respecting Monterey Electric and Gas Company, Limited, and to change its name to "Monterey Railway, Light and Power Company."

[Assented to 16th May, 1905.]

WHEREAS Monterey Electric and Gas Company, Limited, Preamble.
has, by its petition, represented that it is incorporated under the provisions of *The Companies Act, 1902*, and has 1902, c. 15.
prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The name of Monterey Electric and Gas Company, Name changed.
Limited, hereinafter called "the Company," is changed to "Monterey Railway, Light and Power Company," but such change of name shall not in any way impair, alter or affect the rights or liabilities of the Company, nor in any wise affect any suit or proceeding now pending, or judgment existing, Existing rights not affected.
either by, or in favour of, or against the Company, which, notwithstanding such change in the name of the Company, may be prosecuted, continued, completed and enforced as if this Act had not been passed.

2. Subject to the laws in force in the Republic of Mexico, Powers of Company in Republic of Mexico.
and with such legislative, governmental, municipal or other authority, concession, license or consent as is necessary, the Company may, within the Republic of Mexico, survey, lay out, construct, complete, maintain and operate, and from time to time extend, remove and change as required, double or single, iron or steel railways and branches, side tracks, turn Railways. Tramways.
outs and tramways for the passage of cars, carriages and other vehicles adapted thereto, upon and along streets, highways and other public places, and upon and along lands purchased, leased or otherwise acquired by the Company, also telegraph Telegraphs. Telephones.
and telephone lines and works in connection therewith, and allow the use of the said railways and other works by lease, license Carriers.

Acquisition
of properties
of other
companies.

license or otherwise for reward, and take, transmit and carry for reward telegrams, messages, passengers and freight, including mails, express and other freight upon or by means thereof, by force or power of animals, or by steam, pneumatic, electric or mechanical power, or by a combination of them or any of them, and also may there acquire by purchase, lease or otherwise, upon such terms and conditions as are agreed upon, and maintain and operate for reward any existing or future lines of railway, tramway, telegraph and telephone ; and for all or any of the purposes aforesaid the Company may enter into and carry out such contracts, concessions and agreements as it thinks necessary.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 127.

An Act respecting the Montreal Bridge Company, and to change its name to "The Montreal Bridge and Terminal Company."

[Assented to 7th June, 1905.]

WHEREAS the Montreal Bridge Company has, by its Preamble.
petition, prayed that it be enacted as hereinafter set
forth, and it is expedient to grant the prayer of the said 1890, c. 93.
petition: Therefore His Majesty, by and with the advice and 1891, c. 106.
consent of the Senate and House of Commons of Canada, 1894, c. 63.
1897, c. 67.
enacts as follows:—

1. The name of the Montreal Bridge Company, hereinafter Name
called "the Company" is hereby changed to "The Montreal changed.
Bridge and Terminal Company," but such change of name
shall not in any way impair, alter or affect the rights or liabilities of the Company, nor in anywise affect any suit or proceeding now pending or judgment existing, either by or in favour of, or against the Company, and, notwithstanding such change in the name of the Company, any such suit or proceeding may be prosecuted, continued or completed or any such judgment may be enforced as if this Act had not been passed.

2. The agreement dated the twenty-fourth day of March, Agreement
1905, between the Montreal Bridge Company and the Mont- with the
real-Longueuil Bridge Company, and set forth in the schedule Montreal-
to this Act, is hereby ratified and confirmed and declared to Longueuil
be binding upon the parties thereto; and each of the companies Bridge Co.
parties thereto may do whatever is necessary to carry out and confirmed.
give full effect to the said agreement to the full extent con- 1903, c. 156.
templated by the several provisions thereof, as therein set
forth; and from and after the passing of this Act, the
franchises of both companies, and all their powers, authorities,
rights, privileges, obligations, liabilities and property real and
personal shall be vested in the Company.

Repeal of
previous
limitations
of time for
construction.

3. Section 14 of chapter 93 of the statutes of 1890, and section 1 of chapter 67 of the statutes of 1897, are repealed.

The same.
1894, c. 63
s. 6 amended.

4. Section 6 of chapter 63 of the statutes of 1894 is amended by striking out the words "and the Montreal bridge within five years" from the second and third lines of the said section.

Time for
construction
extended.

5. Notwithstanding anything to the contrary in the Acts relating to the Company, the Company may construct, maintain and operate the works authorized by the said Acts, and shall proceed with the construction of its bridge so soon as the plans thereof have been approved by the Minister of Railways, and shall complete the bridge and the terminal station and other facilities, before the first day of December, one thousand nine hundred and ten, otherwise the powers granted for the construction thereof by the Acts relating to the Company shall cease and determine as respects so much of the said works as then remains uncompleted.

1890, c. 93,
s. 3 amended,
as to location
of bridge.

6. Subsection 1 of section 3 of chapter 93 of the statutes of 1890 is amended by substituting for the words "in St. Mary's ward" the words "in or near St. Mary's Ward, but not further west than Amherst Street."

Power to
acquire lands
and water
powers.

Electricity.

7. The Company, in connection with its undertaking and for the purposes of its business, may acquire lands, water powers and water courses, and erect, use, make and manage works, machinery and plant for the generation, transmission and distribution of electric and other power and energy, and, subject to the provisions of subsection 3 of section 195 of *The Railway Act*, 1903, may dispose of such surplus power as is not required for the purposes of its business.

Issue of paid-
up shares.

8. The Company may issue fully paid shares in payment for the franchises, rights and property of the Montreal-Longueuil Bridge Company, and for other property the Company, may acquire, and also in payment for or services rendered to the Company by architects, contractors and engineers.

Issue of
additional
bonds
authorized.

9. The Company, in addition to the bonds which it may issue on its bridge and approaches, may issue bonds and debentures on its terminal stations and other properties in and about the city of Montreal, provided that the amount of bonds so issued does not exceed the cost of the property mortgaged to secure said bonds or debentures.

SCHEDULE.

This Indenture made the twenty-fourth day of March, 1905 between the Montreal Bridge Company, incorporated by an Act of the Parliament of Canada, hereinafter called the

Montreal Company, of the first part; and the Montreal and Longueuil Bridge Company, incorporated by an Act of the Parliament of Canada, hereinafter called the Longueuil Company, of the second part.

Whereas it has been agreed between the above-named Companies that the Longueuil Company should sell, and the Montreal Company should buy all the assets, rights, credits, effects and property, real and personal and mixed, of the Longueuil Company, in consideration of certain paid-up shares in the Montreal Company to be allotted to the shareholders of the Longueuil Company.

Now therefore, this indenture witnesseth that in pursuance of the premises, and in consideration of two thousand fully paid-up shares in the capital stock of the Montreal Company, and in consideration of the covenant by the Montreal Company, hereinafter contained, the Longueuil Company hereby grants, assigns, transfers and sets over unto the Montreal Company, their successors and assigns, for ever, all the franchises, assets, rights, credits, effects and property, real, personal and mixed of whatever kind and wheresoever situated, belonging to the Longueuil Company, or to which they are or may be, or may become entitled. To have and to hold unto the Montreal Company, their successors and assigns, to and for their sole and only use for ever.

And the Longueuil Company covenants with the Montreal Company, to execute and deliver, at the expense of the Montreal Company, all such further and other separate and formal assurances, assignments, transfers and conveyances for registration purposes, or otherwise as may be required to vest in the Montreal Company, their successors and assigns, the full legal, equitable and beneficial title and interest to and in the said franchises, assets, rights, credits, effects and property, and each and every part thereof.

And in consideration of the foregoing, the Montreal Company covenants with the Longueuil Company, their successors and assigns, that they shall and will pay, discharge, carry out and perform all debts, liabilities, obligations, contracts and duties for or in respect of which the Longueuil Company are now liable, or which they should pay, discharge, carry out or perform, and the Montreal Company shall and will indemnify and save harmless the Longueuil Company in respect thereof.

This indenture is entered into and executed by the parties hereto, subject to the ratification thereof by Parliament, and in case such ratification does not take place, at the present session of Parliament, the said contract shall *ipso facto* become null and void.

In witness whereof the parties hereto have hereunto affixed their respective corporate seals attested by the proper officers respectively in that behalf, the day and year first written.

(In duplicate.)

THE MONTREAL BRIDGE COMPANY,

{
SEAL.
}

(Sgd.) T. BERTHIAUME,
Vice-President.

(Sgd.) L. A. GLOBENSKY,
Secretary-Treasurer.

THE MONTREAL-LONGUEUIL BRIDGE COMPANY,

{
SEAL.
}

(Sgd.) PAUL GALIBERT,
President.

(Sgd.) MAURICE PERREAULT,
Secretary-Treasurer.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 128.

An Act to incorporate the Montreal, Quebec and Southern Railway Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it Preamble.
be enacted as hereinafter set forth, and it is expedient
to grant the prayer of the said petition: Therefore His
Majesty, by and with the advice and consent of the Senate
and House of Commons of Canada, enacts as follows:—

1. Paul Galibert, Ucal H. Dandurand, Thomas Gauthier Incorporation.
and Edward A. D. Morgan, all of the city of Montreal, in the
province of Quebec, and Jules Allard, of the village of St.
François du Lac, in the province of Quebec, together with
such persons as become shareholders in the company, are incor-
porated under the name of “The Montreal, Quebec and Corporate name.
Southern Railway Company,” hereinafter called “the Com-
pany.”

2. The undertaking of the Company is hereby declared to Declaration.
be a work for the general advantage of Canada.

3. The persons named in section 1 of this Act are consti- Provisional directors.
tuted provisional directors of the Company.

4. The capital stock of the Company shall be one hundred Capital stock.
thousand dollars, and may be increased, in the manner provid-
ed by section 57 of *The Railway Act*, 1903, to a sum not
exceeding one million dollars. No one call thereon shall
exceed ten per cent on the shares subscribed.

5. The head office of the Company shall be in the city of Head office.
Montreal, in the province of Quebec.

6. The annual meeting of the shareholders shall be held on Annual meeting.
the first Wednesday in September.

7. The number of directors shall be not less than five nor Number of directors.
more than nine, one or more of whom may be paid directors.

Line of
railway
described.

8. The Company may construct and operate a railway of the gauge of four feet eight and one-half inches from the St. Guillaume station of the Montreal and Atlantic Railway, in the county of Yamaska, to the city of Sorel, in the county of Richelieu.

Issue of
securities.

9. The securities issued by the Company shall not exceed twenty thousand dollars per mile of the railway, and may be issued only in proportion to the length of railway constructed, or under contract to be constructed, or acquired, as hereinafter provided.

Agreements
with other
companies.

10. Any agreement provided for in section 281 of *The Railway Act*, 1903, may be entered into between the Company and the South Shore Railway Company, the Montreal Bridge and Terminal Company, the Montreal-Longueuil Bridge Company, the Quebec Southern Railway Company and the East Richelieu Valley Railway Company, and the Company may also purchase all or any of the railways of the said companies at judicial or other public sale; and in the event of such acquisition by agreement or purchase the railways and works of the companies mentioned in this section may be completed within four years after the passing of this Act, and at the end of the said period the Company's powers of constructing the said railways and works shall cease and determine as to so much thereof as then remains uncompleted.

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4-5 EDWARD VII.

CHAP. 129.

An Act respecting the Montreal and Southern Counties Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Montreal and Southern Counties Railway Company has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The Montreal and Southern Counties Railway Company, hereinafter called “the Company,” may acquire the whole of the assets of the Montreal and South Shore Auto Car Company, Limited, and in payment of the purchase price thereof may issue paid-up stock of the Company therefor.

2. Section 6 of chapter 56 of the statutes of 1897 is repealed, and in lieu thereof it is enacted that the capital stock of the Company shall be one million dollars.

2. No one call on the capital stock shall exceed ten per cent on the shares subscribed.

3. The Company may commence the construction of its railway and expend fifteen per cent of the amount of its capital stock thereon within two years after the passing of this Act, and may finish the said railway and put it in operation within five years after the passing of this Act; and if the said railway is not so commenced and such expenditure is not so made, or if the said railway is not finished and put in operation, within the said periods respectively, the powers of construction conferred upon the Company by Parliament shall cease and be null and void as respects so much of the said railway as then remains uncompleted.

Sections
extending
time repealed. 4. Section 12 of chapter 56 of the statutes of 1897, section 3 of chapter 78 of the statutes of 1898, and section 4 of chapter 78 of the statutes of 1902, are repealed.

OTTAWA: Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 130.

An Act to incorporate the Moosejaw and Edmonton Railway Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it be Preamble.
enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition : Therefore His Majesty,
by and with the advice and consent of the Senate and House
of Commons of Canada, enacts as follows :—

1. Arthur Hitchcock, Oswald B. Fysh, William Grayson, Incorporation.
Alfred Russell Turnbull, George Malcolm Annable, John H.
Grayson, Robert H. Riddell, Edward N. Hopkins and J. H.
McCulloch, all of the town of Moosejaw, in the district of
Assiniboia, together with such persons as become shareholders
in the company, are incorporated under the name of “The Corporate
Moosejaw and Edmonton Railway Company,” hereinafter name.
called “the Company.”

2. The persons named in section 1 of this Act are consti- Provisional
tuted provisional directors of the Company. directors.

3. The capital stock of the Company shall be two million Capital stock.
dollars. No one call thereon shall exceed ten per cent on the
shares subscribed.

4. The head office of the Company shall be in the town of Head office.
Moosejaw, in the district of Assiniboia.

5. The annual meeting of the shareholders shall be held on Annual
the first Tuesday in September. meeting.

6. The number of directors shall not be less than five nor Number of
more than nine, one or more of whom may be paid directors. directors.

7. The Company may lay out, construct and operate a rail- Line of
way of the gauge of four feet eight and one-half inches from railway
VOL. II—27½ described. 419 a

a point on the line of the Canadian Pacific Railway Company at or near Moosejaw, in the district of Assiniboia, in the North-west Territories, to a point on the elbow of the South Saskatchewan river, and thence in a north-westerly direction to Edmonton, in the district of Alberta.

Issue of securities.

8. The securities issued by the Company shall not exceed twenty-five thousand dollars per mile of the railway and may be issued only in proportion to the length of railway constructed or under contract to be constructed.

Powers of Company.

9. The Company may, in connection with its undertaking and for the purposes of its railway business :—

Vessels.

(a.) construct, own and maintain vessels, boats and ferries, and operate them upon any navigable waters in the North-west Territories adjacent to its line of railway ;

Express and warehouse business.

(b.) carry on the business of expressmen, forwarding agents, wharfingers and warehousemen.

Telegraph and telephone lines.

10. The Company may construct and operate telegraph and telephone lines upon its railway, and for the purpose of operating such lines, or exchanging and transmitting messages, may enter into contracts with any companies having telegraph or telephone powers, and may connect its own lines with the lines of, or may lease its own lines to, any such companies.

Rates and charges.

2. The Company may transmit messages for the public and collect rates or charges therefor, but no rate or charge shall be demanded or taken for the transmission of any message or for leasing or using the telegraphs or telephones of the Company until it has been approved of by the Governor in Council, who may also revise such rates and charges from time to time.

Approval of rates.

R.S.C., c. 132.

3. *The Electric Telegraph Companies Act* shall apply to the telegraphic business of the Company.

Agreement with another company.

11. Any agreement provided for in section 281 of *The Railway Act*, 1903, may be entered into between the Company and the Canadian Pacific Railway Company, the Grand Trunk Pacific Railway Company, or the Canadian Northern Railway Company.



4-5 EDWARD VII.

CHAP. 131.

An Act for the relief of Edward Albert Murphy.

[Assented to 16th May, 1905.]

WHEREAS Edward Albert Murphy, of the city and district of Montreal, in the province of Quebec, commercial traveller, has by his petition humbly set forth that on the twenty-ninth day of June, A.D. 1897, he was married to Susan Margaret Dillon, of the said city of Montreal, spinster, at Rouse's Point, in the state of New York, and afterwards, on the first day of July, A.D. 1897, a further ceremony of marriage between the said parties was celebrated at the said city of Montreal; that they cohabited until the month of October, A.D. 1899; that there is no issue of the said marriage; that since the said marriage she committed adultery; that ever since he discovered the said adultery they have lived separate and apart and have not cohabited; that since such separation she has committed further acts of adultery; and whereas he has humbly prayed that the said marriage may be dissolved and that he may be authorized to marry again, and that such further relief may be granted him as may be deemed meet; and whereas he has proved the said allegations of his petition and it is expedient to grant the prayer thereof: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.

1. The said marriage between the said Edward Albert Murphy and the said Susan Margaret Dillon, his wife, is hereby dissolved and shall be henceforth null and void to all intents and purposes whatsoever.

Marriage dissolved.

2. The said Edward Albert Murphy may at any time hereafter marry any woman whom he might lawfully marry in case the said marriage with the said Susan Margaret Dillon had not been solemnized.

Right to marry again.



4-5 EDWARD VII.

CHAP. 132.

An Act respecting the Niagara, St. Catharines and Toronto Railway Company.

[Assented to 7th June, 1905.]

WHEREAS the Niagara, St. Catharines and Toronto Railway Company has, by its petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.

1899, c. 77;
1901, c. 76;
1902, c. 83.

1. The time limited for the completion of the extension of the line of the Niagara, St. Catharines and Toronto Railway Company to a point in or near the city of Toronto by way of Hamilton is extended for three years from the passing of this Act, and the times limited for the commencement and completion of the extension to a point on the Niagara River at or near Fort Erie are extended for two years and five years respectively from the passing of this Act; and if the said last mentioned extension is not commenced and the said two extensions respectively are not completed within the times so limited, the powers of construction granted by the said Company's Act of incorporation, or by this Act, shall be null and void with respect to so much of the said extensions as then remains uncompleted.

Time for
completion
of extensions
extended.

2. The Company may construct its railway upon or along Burlington Beach, in the counties of Wentworth and Halton, upon the provisions of section 122 of *The Railway Act, 1903*, being complied with, and upon the plans, profile and book of reference of the Company's line of railway upon the said beach being sanctioned and approved of by the Board of Railway Commissioners for Canada, as provided by *The Railway Act, 1903*,—the width and location of the right of way upon and along the said beach to be specifically settled and determined by the said Board: Provided always that the Toronto and

Line along
Burlington
Beach.

Proviso.

Hamilton

Hamilton Railway Company and the Niagara, St. Catharines and Toronto Railway Company shall have one right of way only upon or along Burlington Beach, to be used by the said companies in common, upon terms to be mutually agreed on between them, or to be determined by the said Board.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 133.

An Act respecting the Niagara-Welland Power Company.

[Assented to 16th May, 1905.]

WHEREAS the Niagara-Welland Power Company has, by its petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The Niagara-Welland Power Company, hereinafter called “the Company,” may use, maintain and operate its canal and hydraulic raceway as a navigable stream or waterway for the passage of steam and other vessels, and for such purpose may construct, own, lease, charter, deal in and maintain all necessary wharfs, piers, docks, bridges, basins, locks, weirs, dams, ways, roads, warehouses, elevators and works of a like or similar nature, and steam and other vessels, necessary or expedient for the construction, use, operation and maintenance of the said canal and hydraulic raceway.

Preamble.

1899, c. 129;
1903, c. 163.

Use of canal
for vessels.

Power to own
docks, vessels,
elevators, etc.

2. The Company may lay out, construct and operate a tramway of the gauge of four feet eight and one half-inches on the Company's right of way, and may operate the said tramway by electricity or compressed air, and may construct it in sections if desired, and may connect it with any railway.

Tramway
authorized.

2. Steam may be used for the purpose of constructing the said tramway, but shall not be used as motive power for its operation.

Motive power.

3. The *Railway Act*, 1903, when not inconsistent with this Act, shall apply to the said tramway.

1903, c. 58.

3. Section 12 of chapter 102 of the statutes of 1894, chapter 73 of the statutes of 1897, section 2 of chapter 129 of the statutes of 1899, and section 12 of chapter 163 of the statutes of 1903, are repealed.

Repeal of
sections
extending
time for
construction
of works.

Time for
construction
of works
extended.

4. The works of the Company may be completed within five years after the passing of this Act; and if the said works are not then completed, the powers granted to the Company by Parliament shall cease and be null and void except as to such portion of the said works as has been commenced or completed, and as to any rights which have been acquired, before the expiration of the said period.

OTTAWA: Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's
most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 134

An Act respecting the Nicola, Kamloops and Similkameen Coal and Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Nicola, Kamloops and Similkameen Coal and Railway Company has represented that it was incorporated by chapter 47 of the statutes of 1891 of the province of British Columbia, and that the said Act was amended by chapter 38 of the statutes of 1903 of the said province; and whereas the railway works which the said company by the said Acts was empowered to undertake were declared to be for the general advantage of Canada by chapter 164 of the statutes of 1903 of Canada; and whereas the said company has, by its petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.

B.C., 1891, c.
47;
B.C., 1903, c.
38.
1903, c. 164.

1. The Nicola, Kamloops and Similkameen Coal and Railway Company, hereinafter called "the Company," may lay out, construct and operate a railway from Osoyoos Lake to a point at or near Grand Forks, and may connect it with the Vancouver, Victoria and Eastern Railway at or near Grand Forks and with the Columbia and Western Railway at or near Midway.

Line of
railway
authorized.

2. All powers of the Company in relation to the railway which it now has authority to construct shall extend and apply to the extension authorized in section 1 of this Act.

Existing
Acts to apply.

3. The Company, as now organized, is hereby declared to be, and to have been since the passing of chapter 164 of the statutes of 1903, a body corporate and politic within the legislative authority of the Parliament of Canada, with power to lay out, construct and operate the railway works described in the Acts of the province of British Columbia mentioned in the preamble, and with all the other powers in the said provincial

Declaratory.

cial Acts set forth, so far as the legislative powers of the Parliament of Canada extend, save and except only such provisions of the said provincial Acts, if any, as have been varied by chapter 164 of the statutes of 1903, or by chapter 103 of the statutes of 1904, or are inconsistent with *The Railway Act*, 1903; but nothing herein contained shall affect or invalidate any action heretofore taken by or against the Company pursuant to the provisions in the said Provincial Acts contained.

Time for
construction
of railways
limited.

4. The construction of the railways authorized by the said Acts of the province of British Columbia and by this Act may be commenced within two years after the passing of this Act, and the railways finished and put in operation within five years after the passing of this Act; and if the said railways are not so commenced, or are not finished and put in operation, within the said respective periods, then the powers granted for such construction shall cease and be null and void as respects so much of the said railways as then remains uncompleted.

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4-5 EDWARD VII.

CHAP. 135.

An Act respecting the Northern Bank.

[Assented to 16th May, 1905.]

WHEREAS the Northern Bank has, by its petition, prayed Preamble.
that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition : Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

1. Notwithstanding the provisions of section 15 of *The Bank Act*, the time limited therein for granting the certificate therein mentioned by the Treasury Board to the Northern Bank, is hereby extended for six months from the fifteenth day of June, one thousand nine hundred and five. Time for obtaining certificate of Treasury Board extended.

2. Notwithstanding the provisions of section 16 of *The Bank Act*, the limit of time for obtaining a certificate from the Treasury Board shall be six months from the fifteenth day of June, one thousand nine hundred and five. Powers of Bank extended for one year.

OTTAWA : Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 136.

An Act to incorporate the Northwest Telephone and Telegraph Company.

[Assented to 20th July, 1905.]

WHEREAS a petition has been presented praying that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

Preamble.

1. Edward Brown and Thomas Hatton Metcalfe, both of the town of Portage la Prairie, in the province of Manitoba, Joseph Tees, Henry E. Sharpe, George Bowles and George Albert Metcalfe, all of the city of Winnipeg, in the said province, together with such persons as become shareholders in the company, are incorporated under the name of "The Northwest Telephone and Telegraph Company," hereinafter called "the Company."

Incorporation.

Corporate name.

2. The persons named in section 1 of this Act shall be the first or provisional directors of the Company, a majority of whom shall be a quorum, and they may forthwith open stock books and procure subscriptions of stock and receive payments on account of stock subscribed, cause surveys and estimates to be made, and carry on the business of the Company, and shall deposit in a chartered bank in Canada all moneys received by them on account of stock subscribed, which moneys shall not be withdrawn except for the purposes of the undertaking or upon the dissolution of the Company for any cause whatever.

Provisional directors.

3. The capital stock of the Company shall be five hundred thousand dollars, divided into shares of one hundred dollars each. Such capital stock shall be issued in whole or in part, and may be called up from time to time and in such manner as the directors determine, but no one call shall exceed ten per cent on the shares subscribed, and there shall be an interval of at least thirty days between calls.

Capital stock.

Increase of
capital stock.

4. The capital stock may, after the whole thereof has been subscribed and at least fifty per cent thereof paid up in cash, be increased from time to time by resolution of the directors, with the consent of a majority in value of the shareholders present or represented by proxy at any annual meeting, or at any special general meeting of the shareholders called for that purpose, to such an amount, not exceeding five hundred thousand dollars additional, as the shareholders deem necessary.

First general
meeting

5. So soon as one hundred thousand dollars of the capital stock has been subscribed and allotted and twenty-five per cent thereof paid into some chartered bank in Canada, the provisional directors shall call a meeting of the shareholders for the election of directors, and for the transaction of such other business as may be transacted at the annual meeting of the Company.

Notice of
meeting.

2. Notice of such meeting shall be sufficiently given by mailing the notice, postage prepaid, to the last known post office address of each shareholder at least ten days previous to the date of such meeting.

Number of
directors.

6. The number of directors shall be not less than five nor more than nine, one or more of whom may be paid directors.

Head office.

7. The head office of the Company shall be at the city of Winnipeg, in the province of Manitoba, or at such other place in Canada as the directors from time to time determine by by-law.

Service on the
Company.

2. The service of any process or notice upon the chief officer or manager of the Company in Canada at any office where it carries on business in Canada, or upon the person then in charge of such office, shall be good service and shall bind the Company

Annual
meeting.

8. The annual meeting of the Company shall be held on the fourth Wednesday in January in each year.

R.S.C., c. 118,
ss. 18 and 39
not to apply.

9. Sections 18 and 39 of *The Companies Clauses Act* shall not apply to the Company.

Business of
Company.
Telephone
and telegraph
lines.

10. The Company may—
(a.) construct, maintain, acquire by purchase, lease or otherwise, and operate lines of electric, telephone and telegraph by means of cables, poles and conduits along or across any public highway, street, bridge, or other place, and through any waters and overhead or underground in, from and to any place in Ontario, Manitoba and the North-west Territories, provided that such lines shall be so constructed as not to interfere with or interrupt the navigation of any navigable water;

Branch lines.

(b.) construct, maintain and operate branch lines and extensions of its telephone and telegraph lines from its main or trunk line to any place in Ontario, Manitoba and the North-west Territories;

(c.) acquire, by purchase, lease or charter, steam and other vessels, implements, machinery and plant required for the laying, construction, maintenance and operation of such cables, conduits and lines ; Vessels and machinery.

(d.) construct, lay, erect, maintain and operate all such cables, works, structures, apparatus, poles, wires, appliances, material, supplies and machinery as may be used in any way in connection with its business ; Erection of works.

(e.) acquire, manufacture and lease all such apparatus, poles, cables, wires, telephone and telegraph instruments and electrical or magnetic instruments, appliances, materials, supplies and machinery as are or may be used in any way in connection with its business, and dispose thereof ; Apparatus.

(f.) acquire and use any privilege granted by any provincial or municipal authority, and acquire, use and dispose of any inventions, letters patent of invention, or the right to use any inventions in any way connected with or appertaining to its business ; Patent rights.

(g.) establish offices for the transmission and reception of messages. Offices.

11. The Company, or any company whose line of telephone or telegraph is leased by the Company or under its control, shall not at any time be amalgamated with any company possessing powers similar to those of the Company ; and any such amalgamation and any arrangement for making a common fund or pooling the earnings or receipts of the Company, or of any company whose line of telephone or telegraph is leased by the Company or under its control, with any company possessing powers similar to those of the Company shall be absolutely void. Amalgamation and pooling prohibited.

12. The Company shall not sell, dispose of, or transfer any of its stock, or its rights, powers, privileges, charter or franchises, to any company possessing powers similar to those of the Company ; nor shall the Company purchase or acquire or accept the transfer of any of the stock of any company possessing powers similar to those of the Company. Sale to, or acquisition of, similar company, prohibited.

13. The Company may, for the purposes of operating its lines or exchanging and transmitting messages, enter into contracts with any companies having telegraph or telephone powers in Canada, or in any country adjacent thereto, and may connect its own lines with the lines of such companies. Agreements with other companies.

2. The Company may transmit messages for the public and collect rates or charges therefor, but no rate or charge shall be demanded or taken for the transmission of any message or for leasing or using the telegraphs or telephones of the Company until it has been approved of by the Governor in Council, who may also revise such rates and charges from time to time, and the Company or any interested municipality may from time

to time apply for such revisions and be heard upon the application therefor.

Governor in Council may order inquiry by a judge. 3. In the case of any such application the Governor in Council may commission or empower any judge of the Supreme Court or Exchequer Court of Canada, or of any superior court in any province of Canada, to inquire in a summary way into and report to the Governor in Council whether such increase or diminution should be made, and as to the expenses incurred in and about the application and inquiry.

Expenses. 4. The Governor in Council may order the whole or any part of such expenses to be borne by the municipality or by the Company.

Powers of judge. 5. The judge may compel the attendance of witnesses and examine them under oath, and require the production of books and papers, and shall have such other necessary powers as are conferred upon him by the Governor in Council for the purposes of such inquiry.

Enforcement of order. 6. Any order made under this Act by the Governor in Council may be made an order of the Exchequer Court of Canada, or of any superior court of any province of Canada, and shall be enforced in like manner as any rule or order of such court.

Interpretation of "rates." 14. The word "rates" in this Act shall apply to all rates charged for the rental or use of telephones and telegraph or telephone service, and also to charges for messages from any person in one municipality to any other person in another municipality, commonly known as long distance messages.

Telephone service to be furnished upon application. 15. Upon the application of any person, within a city, town, village or other territory in which a service is given and where a telephone is required for any lawful purpose the Company shall, with all reasonable despatch, furnish telephone instruments, and a proper and sufficient telephone service of the latest improved design in use in cities, towns, incorporated villages or townships of the same or about the same size as the place within which the person making such application resides, for any and all premises fronting upon or within one thousand feet of any highway, street, lane or other public communication or place along, over, under or upon which the Company has a main or branch telephone service or system, upon tender or payment of all proper charges and upon payment of rates semi-annually in advance.

Electricity. 16. The Company may, for the purposes of its undertaking, erect, use and carry on works for the generation, transmission and distribution of electric power and energy.

Borrowing powers. 17. If authorized by by-law, sanctioned by a vote of not less than two-thirds in value of the subscribed stock of the Company represented at a general meeting duly called for considering the by-law, the directors may, from time to time,—

- (a.) borrow money upon the credit of the Company ;
- (b.) limit or increase the amount to be borrowed ;
- (c.) issue bonds, debentures, or other securities of the Company to an amount not exceeding five hundred thousand dollars, and pledge or sell them for such sums and at such prices, as are deemed expedient ; but no such bonds, debentures or other securities shall be for a less sum than one hundred dollars each ;
- (d.) hypothecate, mortgage or pledge the real or personal property of the Company, or both, to secure any such bonds, debentures or other securities, and any money borrowed for the purposes of the Company.

18. *The Electric Telegraph Companies Act* shall apply to R.S.C., c. 132. the Company.

19. No right, except as provided for in subsection 2 hereof, hereby or by *The Electric Telegraph Companies Act* conferred, shall be exercised without the consent of and upon the terms to be agreed upon with the council of a city, town, incorporated village or township, or with the municipality of a county within which it is proposed to exercise such right, or other proper authority vested for the time being with the ownership of the land, and every such right, except so far as provided by the said consent and agreement, shall be subject to and controlled by all by-laws and regulations of the city, town, incorporated village, township, or the municipality of a county, whether passed prior to or subsequent to this Act.

Approval by municipality before exercise of rights.

2. Provided that the Company shall have the right to one exclusively long distance conduit or pole line or service in, through, or across any city, town, incorporated village or township, subject to the said by-laws and regulations, and to the location of the line or service in a practicable route, and of the conduit or poles for carrying such line or service by the municipal council, or such officer as it may appoint, and subject to such line or service being placed under ground in cities if so required by the council thereof by any by-law relating to electric companies.

Exclusively long distance line.

3. A long distance line or service shall mean any trunk line or service connecting a central exchange or office in a city, town, incorporated village or township with a central exchange or office or with central exchanges or offices in another or other cities, towns, incorporated villages or townships.

Interpretation of "Long distance line."

4. All matters in dispute relating to such long distance line or service shall be referred to arbitration, and the Company and the opposite party shall each choose an arbitrator, and the said arbitrators shall choose a third, and the decision on the matter in difference of any two of such arbitrators in writing shall be final ; and if the said opposite party or the Company neglects or refuses to appoint an arbitrator within four days after notice in writing and upon proof of service of such notice, or if such

Arbitration of disputes.

two arbitrators, when duly chosen, disagree in the choice of a third arbitrator, then and in any such case the Minister of Public Works may appoint any such arbitrator, or such third arbitrator, as the case may be, and the arbitrator so appointed shall possess the same power as if chosen in the manner above provided.

Certain provisions of Railway Act to apply to Company.

20. All maintenance and construction, and all works of the Company under the provisions of this Act, or *The Electric Telegraph Companies Act*, shall be subject to the provisions of paragraphs (a), (b), (c), (d), (e), (g), (j), (k), (l), (m), (n) and (p) of subsection 1 of section 118, and also to all the provisions of sections 194 and 195 of *The Railway Act*, 1903, and such provisions are hereby made applicable to all work, maintenance, construction and operation under this Act.

Discrimination in rates prohibited.

21. The Company shall not, in fixing any toll or rate under like conditions and circumstances, make an unjust or partial discrimination between different localities or persons. And the Company shall not make or give any secret or special toll, rate, rebate, drawback, concession or undue preference, and for every violation of the provisions of this section the Company shall be liable to a penalty not exceeding one hundred dollars.

Order of transmission of messages.

22. The Company shall transmit all messages in the order in which they are received, and assign the service of its lines to customers in the order in which such customers apply for service, and the Company shall be liable to a penalty not exceeding one hundred dollars for every violation of the provisions of this section.

Penalty.

Liability for damages.

23. The Company shall be liable for all damage or injury caused by the construction, maintenance and operation of its works.

Connection to be furnished to other services.

24. The Company shall give to any other telephone company or to the individual owner of any telephone service so desiring it, telephonic entrance to and connection on and with any of its switchboards, and direct connection between the subscribers or owners of any other telephone line and the subscribers of its own service.

Payment of cost.

2. The individual owner or company so desiring such direct telephonic connection with the Company shall pay to the latter the actual cost of the entrance of the wire and the connection or connections on the switchboards aforesaid.

Tolls.

3. The Company shall for such connection and the transmission of messages through such connection charge a sum not exceeding the tolls charged its own subscribers and customers.

Agreements with another company for transmission of messages.

4. The Company may, subject to the preceding subsections of this section, enter into agreements or arrangements with any other telephone or telegraph company for the transmission

sion or forwarding of the messages or despatches of such other company, or of the subscribers to or users thereof, upon the lines of, or by, the Company to the place of destination of such messages or despatches, and for a division or apportionment of the tolls or rates in respect of such transmission or forwarding.

5. For every violation of the provisions of this section, the Company shall be subject to a penalty not exceeding one hundred dollars. Penalty.

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4-5 EDWARD VII.

CHAP. 137.

An Act to incorporate the Ontario Fire Insurance Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it be Preamble.
enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition : Therefore His Majesty,
by and with the advice and consent of the Senate and House
of Commons of Canada, enacts as follows :—

1. William Robertson, of the city of Halifax, Nova Scotia, Incorporation.
Robert Thomson, of the city of St. John, New Brunswick,
Walter V. Eastmure, of the city of Montreal, Quebec, William
S. Holland, of the city of Vancouver, British Columbia, Arthur
L. Eastmure, Bertram G. Walker, William H. Hedges,
Edmund T. Lightbourn, George W. Monk, Goldwin L. Smith,
His Honour Judge F. M. Morson and Francis J. Lightbourn,
all of the city of Toronto, in the province of Ontario, together
with such persons as become shareholders in the company, are
incorporated under the name of “The Ontario Fire Insurance Corporate
Company,” hereinafter called “the Company.” name.

2. The persons named in section 1 of this Act shall be the Provisional
provisional directors of the Company, a majority of whom directors.
shall be a quorum, and they may forthwith open stock books,
procure subscriptions of stock for the undertaking, make calls
on stock subscribed and receive payments thereon, and shall
deposit in a chartered bank in Canada all moneys received by
them on account of the Company, and shall withdraw the same
for the purposes of the Company only, and may do generally
what is necessary to organize the Company.

3. The capital stock of the Company shall be five hundred Capital stock.
thousand dollars, divided into shares of one hundred dollars
each.

2. The shares of the capital stock subscribed for shall be Payment
paid by such instalments and at such times and places as the of calls.

directors determine; the first instalment shall not exceed twenty-five per cent and no subsequent instalment shall exceed ten per cent, and not less than thirty days' notice of the calling of each subsequent instalment shall be given, and the directors may receive from any shareholder payment in full for any stock subscribed for by him, or any portion of subscribed stock not less than ten per cent or any multiple thereof, or uncalled instalment or balances of payments in respect of any subscription at any time.

Increase
of capital.

3. The directors may, after the whole capital stock has been subscribed and fifty per cent paid thereon in cash, increase the amount of the capital stock from time to time to an amount not exceeding one million dollars, but the stock shall not be increased until a resolution of the directors authorizing such increase has first been submitted to and confirmed by two-thirds in value of the shareholders present or represented by proxy at a special general meeting of the shareholders duly called for that purpose.

Head office.

4. The head office of the Company shall be in the city of Toronto, in the county of York, and province of Ontario, and branch offices, sub-boards or agencies may be established elsewhere in such manner as the directors from time to time direct.

Branch offices.

First general
meeting.

5. So soon as two hundred and fifty thousand dollars of the capital stock have been subscribed and twenty-five per cent of that amount paid into some chartered bank in Canada, the provisional directors shall call a meeting of the shareholders at some place to be named in the said city of Toronto, at which meeting the shareholders present or represented by proxy who have paid not less than ten per cent on the amount of shares subscribed for by them shall elect a board of not more than fifteen and not less than nine directors, of whom a majority shall form a quorum.

Election of
directors.

Qualification
of directors.

2. No person shall be a director unless he holds in his own name and for his own use at least twenty shares of the capital stock of the Company, and has paid all calls due thereon and all liabilities incurred by him to the Company.

Annual
meeting.

6. A general meeting of the Company shall be held at the head office, annually on the third Wednesday in February after the organization of the Company and commencement of business; and at such meeting a statement of the affairs of the Company shall be submitted.

Special
general
meetings.

2. Special general meetings may at any time be called by any five of the directors or by requisition of any twenty-five shareholders, specifying in the notice the object of such meeting.

Notice of
meetings.

3. Notice of each such meeting shall be sufficiently given by printed or written notice to each of the shareholders mailed at least twenty days before the day for which the meeting is called,

called, and addressed to the addresses of the shareholders respectively given in the books of the Company.

7. The Company may make contracts of insurance against loss or damage by fire or lightning in or to any house, dwelling, store or other building, and to any goods, merchandise, chattels, bridges, railway plant or personal estate for such time and for such premiums or considerations, and under such modifications and restrictions and upon such conditions as are agreed upon between the Company and the insured, and the Company may generally carry on the business of fire insurance in all its branches, including the right to cause itself to be insured against any risk it may have undertaken, and to re-insure any other person against any risks that such person may have undertaken.

Business of
Company.

Re-insurance.

8. Before obtaining the license required by *The Insurance Act* at least sixty-five thousand dollars on the amount of the capital stock shall be paid into the funds of the Company to be appropriated only for the purposes of the Company under this Act, and thereafter in each succeeding year for three years a further sum of fifteen thousand dollars shall be paid annually in cash upon the capital stock of the Company.

Amount to be
paid in before
license
obtainable.

9. This Act, and the Company, and the exercise of the powers hereby conferred, shall be subject to the provisions of *The Insurance Act*.

R.S.C., c. 124.

10. *The Companies Clauses Act*, except sections 18 and 39 thereof, shall apply to the Company, in so far as it is not inconsistent with any of the provisions of *The Insurance Act*.

R.S.C., c. 118.



4-5 EDWARD VII.

CHAP. 138.

An Act respecting the Ontario, Hudson's Bay and Western Railways Company.

[Assented to 20th July, 1905.]

WHEREAS the Ontario, Hudson's Bay and Western Railways Company has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition : Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

Preamble.

Ont. 1890, c.

124 ;

Ont. 1899, c.

101.

C. 1901, c. 78.

1. The construction of the railway of the Ontario, Hudson's Bay and Western Railways Company may be commenced and fifteen per cent on the amount of the capital stock expended thereon within two years after the passing of this Act, and the railway may be finished and put in operation within five years after the passing of this Act ; and if the railway is not so commenced, and such expenditure is not so made, or if the railway is not finished and put in operation, within the said respective periods, the powers of construction granted to the said Company by Parliament shall cease and be null and void as respects so much of the railway as then remains uncompleted.

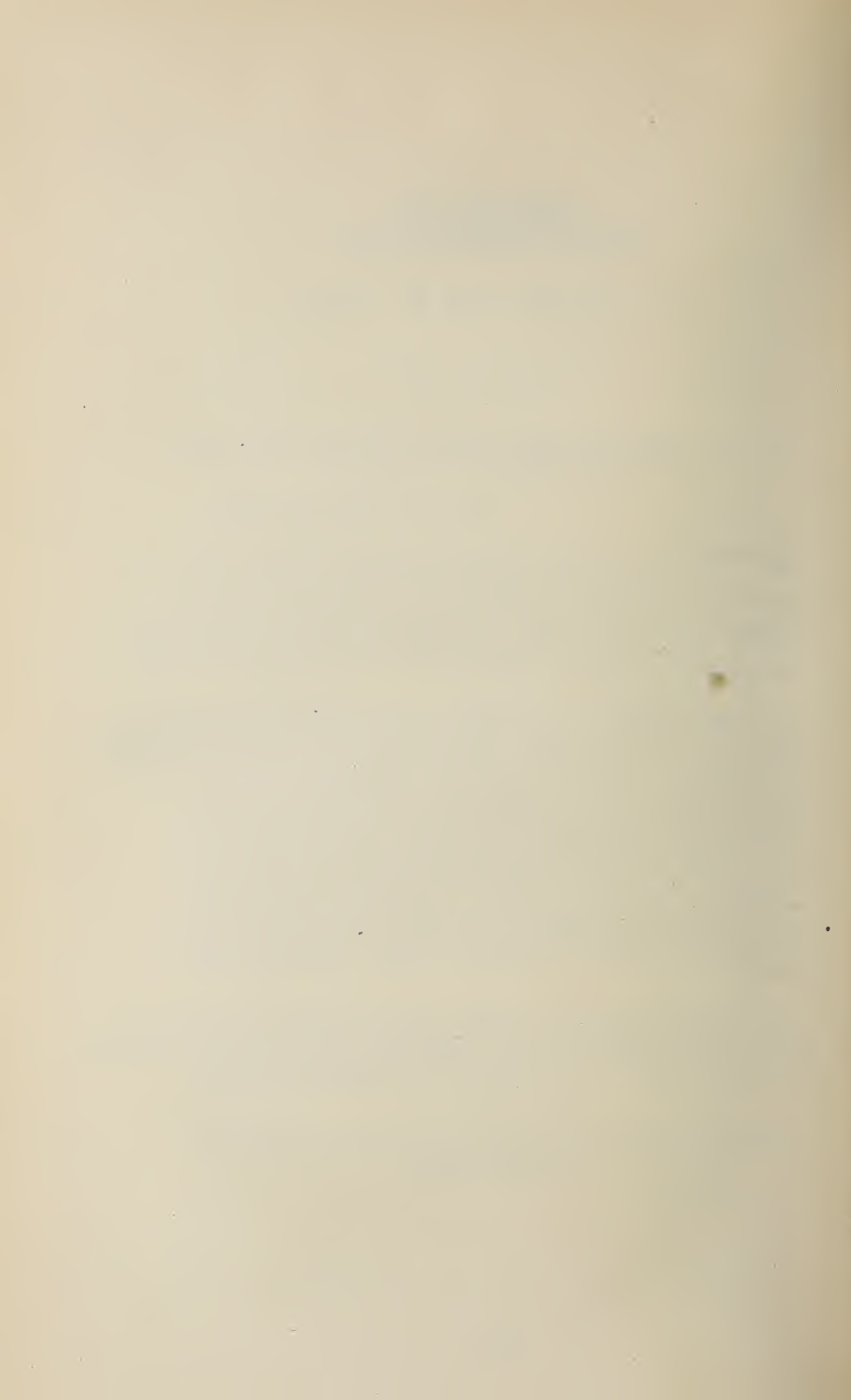
Time for
construction
of railway
extended.

2. Section 14 of chapter 78 of the statutes of 1901 is amended by inserting after the word "Company" in the third line thereof the words "the Canada Central Railway Company."

1901, c. 78.

s. 14 amended.

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4-5 EDWARD VII.

CHAP. 139.

An Act respecting the Ontario and Minnesota Power Company (Limited).

[Assented to 20th July, 1905.]

WHEREAS the Ontario and Minnesota Power Company, Limited, has by its petition represented that it was incorporated by letters patent under the great seal of the Province of Ontario dated the thirteenth day of January, one thousand nine hundred and five, under "The Ontario Companies Act," being chapter 191 of the Revised Statutes of Ontario, 1897; and whereas the said company has prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.
R.S.O., c. 191.

1. The Company may construct, develop, acquire, own, use and operate the water power now or hereafter existing on the Rainy river at or near the town of Fort Frances, in the district of Rainy river, in the province of Ontario, and construct, develop, operate and maintain works, canals, raceways, water-courses, dams, piers, booms, dykes, sluices, conduits and buildings, in connection with the said power, including any increase of the said power on Rainy river by storage or other works on waters tributary to Rainy lake which the Company now has or may hereafter have power to construct: Provided that no work authorized by this section shall be commenced until the plans thereof have first been submitted to and approved of by the Governor in Council.

Power to develop water power on Rainy river.
Approval of plans.

2. The Company shall from the said water power, including any increase thereof from time to time, provide power or electrical energy for use on the Canadian side of the international boundary line concurrently as it provides power or electrical energy for use in the United States, so that from time to time, except as herein provided, there shall not be less of the said power or electrical energy available for use on the Canadian side

Supply of power in Canada.

side of the international boundary line than on the American side ; and, subject to the provisions of this Act, such power or electrical energy shall be delivered on the Canadian side as and when demanded.

Plant for
power in
Canada.

3. The power house, generators, transmitters, machinery, appliances and connections necessary for the delivery by the Company of such power or electrical energy for use on the Canadian side of the international boundary line shall be on the Canadian side thereof.

Settlement of
disputes.

4. In case of any dispute as to the price for power or electrical energy in use or to be provided for use upon the Canadian side of the said international boundary line, or the methods of distribution thereof, or the time within which or the conditions upon which the same shall be furnished for use, such dispute shall, notwithstanding the provisions of section 13 of *The Railway Act, 1903*, be settled by the Board of Railway Commissioners for Canada on the application of any user or applicant for power, or of the Company, or of the town of Fort Frances.

Diversion to
United States
of power
intended for
Canada.

5. No part of the power or electrical energy to be provided under this Act for use upon the Canadian side of the said boundary line shall be diverted to or used in the United States without the order of the said Board of Railway Commissioners made on an application of which two weeks' notice in writing shall have been served upon the mayor and clerk of the town of Fort Frances, or, in the absence of either one of them, upon a member of the town council in his stead.

Board of
Railway
Commission-
ers may
authorize
diversion.

6. The said Board of Railway Commissioners shall have full jurisdiction to inquire into and hear and determine any application of the Company for leave to make such diversion, and if, and so often as, it appears to the said Board on such an application that there is not a reasonable prospect of the utilization within a reasonable time of power or electrical energy unemployed, though actually available for use, on the Canadian side of the international boundary line, the Board shall make an order permitting the diversion of the whole or part of such unemployed power or electrical energy, and may impose such terms and conditions, including the fixing of the time during which such diversion may continue, as the Board may deem expedient.

Further
powers of
Board.

7. The Board may order and require the Company or any person to do forthwith, or within or at any specified time, and in any manner prescribed by the Board, so far as is not inconsistent with this Act, any act, matter or thing which such company or person is or may be required to do under this Act, and may forbid the doing or continuing of any act, matter or thing

thing which is contrary to this Act; and shall have full jurisdiction to hear and determine all matters whether of law or of fact, and shall, as respects the attendance and examination of witnesses, the production and inspection of documents, the enforcement of its orders, the entry on and inspection of property, and other matters necessary or proper for the due exercise of its jurisdiction under this Act, or otherwise for carrying this Act into effect, have all such powers, rights and privileges as are vested in a superior court.

8. The practice and procedure under this Act, on applications to the Board shall be as nearly as possible that followed on applications thereto under *The Railway Act*, 1903, and otherwise shall be subject to the direction and control of the Board. Procedure.

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4-5 EDWARD VII.

CHAP. 140.

An Act respecting the Ottawa Electric Company.

[Assented to 20th July, 1905.]

WHEREAS the Ottawa Electric Company has, by its Preamble.
petition, prayed that it be enacted as hereinafter set
forth, and it is expedient to grant the prayer of the said peti- 1894, c. 111.
tion: Therefore His Majesty, by and with the advice and
consent of the Senate and House of Commons of Canada, enacts
as follows:—

1. Section 3 of chapter 111 of the statutes of 1894 is repealed, New section 3.
and the following is substituted therefor:—

“3. The capital stock of the Company shall be one million Capital stock.
five hundred thousand dollars, divided into shares of one hun-
dred dollars each.”

2. Paragraph (d) of section 7 of the said Act is amended by Section 7
amended.
striking out all the words after the word “Company” in the Shares in
other
companies.
third line thereof.

3. Section 12 of the said Act is amended by striking out Section 12
amended.
the word “fifty” in the seventh line thereof and substituting Borrowing
powers.
therefor the words “seventy-five.”

4. Section 13 of the said Act is amended by striking out Section 13
amended.
the words “twenty-five” in the tenth line thereof and sub- Borrowing
powers.
stituting therefor the word “fifty.”

5. If the Company acquires a majority of the shares in the Limitation
as to rate if
Company
obtains con-
trol of other
companies.
capital stock, or in the debentures or securities of the Metro-
politan Electrical Company of Ottawa, Limited, or in the
Consumers Electric Company, Limited, the Company shall not
increase the prices or rates beyond those provided for in the
franchises granted by the city of Ottawa to the said Metro-
politan and Consumers companies.

6. Nothing in this Act contained shall be construed as Rights of
municipality
of Ottawa
saved.
prejudicially affecting any of the rights of the municipal cor-
poration

puration of the city of Ottawa under its existing franchise agreements with the Company and the Metropolitan Electrical Company, Limited, and the Consumers Electric Company, Limited, or either or any of them.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 141.

An Act respecting the Ottawa and New York Railway Company.

[Assented to 20th July, 1905.]

WHEREAS the Ottawa and New York Railway Company Preamble.
has by its petition prayed that it be enacted as herein-
after set forth, and it is expedient to grant the prayer of the 1897, c. 57 ;
said petition : Therefore His Majesty, by and with the advice 1898, c. 82.
and consent of the Senate and House of Commons of Canada,
enacts as follows :—

1. The directors may annually appoint from among them- Executive
selves an executive committee composed of at least three committee
directors, for such purposes and with such powers as the direc- appointed by
tors by by-law determine ; and the president shall be *ex officio* directors.
a member of such committee.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 142.

An Act respecting the Ottawa, Northern and Western Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the two railway companies formerly known as the Ottawa, Northern and Western Railway Company and the Pontiac Pacific Junction Railway Company have been amalgamated under the name of "The Ottawa, Northern and Western Railway Company," and the amalgamated company has, by its petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The Ottawa, Northern and Western Railway Company may, within five years after the passing of this Act, construct and complete the railway, extensions and branches authorized to be constructed by section 1 of chapter 72 of the statutes of 1900 and by section 1 of chapter 84 of the statutes of 1899; provided that as to so much thereof as is not completed within that period the powers of the said Company shall cease and determine.

Preamble.
1901, c. 80;
1902, c. 89;
1903, c. 173.
1904, c. 111.
Time for
construction
of railways
extended.
1899, c. 84;
1900, c. 72.

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4-5 EDWARD VII.

CHAP. 143.

An Act respecting certain patents of David Thomas Owen.

[Assented to 20th July, 1905.]

WHEREAS David Thomas Owen, of the city of Cleveland, Preamble.
in the state of Ohio, one of the United States of America, has, by his petition, represented that he is the holder and owner of certain patents issued under the seal of the Patent Office, namely, number seventy-seven thousand three hundred and twenty-four, dated the ninth day of September, one thousand nine hundred and two, for improvements in folding beds and couches; number eighty thousand nine hundred and fifty-four, dated the nineteenth day of May, one thousand nine hundred and three, for improvements in combined folding beds and movable couches; number eighty thousand nine hundred and fifty-five, dated the nineteenth day of May, one thousand nine hundred and three, for improvements in folding beds; number eighty thousand nine hundred and fifty-six, dated the nineteenth day of May, one thousand nine hundred and three, for improvements in combined beds and couches; and whereas the said David Thomas Owen has by his petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Notwithstanding anything in *The Patent Act*, as amended by chapter 46 of the statutes of 1903, or in the patents mentioned in the preamble, the said patents are declared not to have become null and void and not to have ceased and determined under section 4 of chapter 46 of the statutes of 1903, and shall not become null and void and shall not cease and determine if, within six months after the passing of this Act, the manufacture under the said patents is commenced, and after such commencement is continuously carried on in Canada, in such a manner that any party desiring to use it may obtain it, or cause it to be made for him at a reasonable price at some manufactory or establishment for making or constructing it in Canada.

Extension of
time for
manufacture.

R.S.C., c. 61.
1903, c. 46.

Saving
clause.

2. If any person has, in the period between the expiry of two years from the date of the said patent number seventy-seven thousand three hundred and twenty-four and the date of the passing of this Act, commenced to manufacture and use and sell in Canada the patented invention covered by the said patent, such person may continue to manufacture, use and sell such invention in as full and ample a manner as if this Act had not been passed.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 144.

An Act to incorporate the Owen Sound and Meaford Railway Company.

[Assented to 7th June, 1905.]

WHEREAS a petition has been presented praying that it be Preamble.
enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition: Therefore His Majesty,
by and with the advice and consent of the Senate and House
of Commons of Canada, enacts as follows:—

1. John Wright, James McLauchlan, Christopher Eaton, Incorporation.
Alexander Grant MacKay, Benjamin Allen and Horace Bruce
Smith, of the town of Owen Sound, in the county of Grey,
and George Brown, marble dealer, of the town of Meaford,
county of Grey, together with such persons as become share-
holders in the company, are incorporated under the name of
“The Owen Sound and Meaford Railway Company,” herein- Corporate
after called “the Company.” name.

2. The persons named in section 1 of this Act are consti- Provisional
tuted provisional directors of the Company. directors.

3. The undertaking of the Company is hereby declared to Declaration.
be for the general advantage of Canada.

4. The capital stock of the Company shall be three hundred Capital stock.
thousand dollars. No one call thereon shall exceed ten per
cent on the shares subscribed.

5. The head office of the Company shall be in the town of Head office.
Owen Sound, in the county of Grey, in the province of Ontario.

6. The annual meeting of the shareholders shall be held on Annual
the third Wednesday in September. meeting.

7. The number of directors shall be not less than five nor Election of
more than nine, one or more of whom may be paid directors. directors.

Line of
railway
described.

8. The Company may lay out, construct and operate a railway of the gauge of four feet eight and one half inches, from a point on the shore of, and at or near the mouth of the River Sydenham, in the town of Owen Sound, in the county of Grey, in the province of Ontario, thence easterly through the townships of Sydenham and St. Vincent to the harbour in the town of Meaford, in the said county of Grey, and to a junction with the line of the Grand Trunk Railway Company of Canada at or near the town of Meaford.

Powers.

9. The Company may, in connection with its undertaking and for the purposes of its business,—

Ferries.

(a.) acquire and run railway ferries, steam and other vessels for cargo and passengers upon any navigable waters with which its railway may connect ;

Electricity.

(b.) acquire and utilize water and steam power for the purpose of compressing air or generating electricity for lighting, heating or motor purposes, and may dispose of surplus power generated by the Company's works and not required for the undertaking of the Company.

Telegraphs
and
telephones.

10. The Company may construct, acquire and operate telegraph and telephone lines upon its railway, and for the purpose of operating such lines or exchanging and transmitting such messages may enter into contracts with any companies having telegraph or telephone powers, and may connect its own line with the lines of, or may lease its own lines to, any such companies.

Rates and
charges.

2. The Company may transmit messages for the public, and collect rates or charges therefor, but no rate or charge shall be demanded or taken for the transmission of any message, or for leasing or using the telegraphs or telephones of the Company, until it has been approved of by the Board of Railway Commissioners, who may also revise such rates and charges from time to time.

R.S.C., c. 132.

3. *The Electric Telegraph Companies Act* shall apply to the telegraphic business of the Company.

Bond issue
limited.

11. The securities issued by the Company shall not exceed thirty thousand dollars per mile of the railway, and may be issued only in proportion to the length of railway constructed or under contract to be constructed.

Agreements
with other
companies.

12. Any agreement provided for in section 281 of *The Railway Act, 1903*, may be entered into between the Company and the Grand Trunk Railway Company of Canada, the Canadian Pacific Railway Company, or the Grand Trunk Pacific Railway Company.



4-5 EDWARD VII.

CHAP. 145

An Act respecting the Pacific Bank of Canada.

[Assented to 20th July, 1905.]

WHEREAS the provisional directors of the Pacific Bank of Preamble.
Canada have by their petition prayed that it be enacted
as hereinafter set forth, and it is expedient to grant the prayer
of the said petition : Therefore His Majesty, by and with the
advice and consent of the Senate and House of Commons of
Canada, enacts as follows :—

1. Notwithstanding anything in *The Bank Act*, or in chap- 1890, c. 31 ;
ter 174 of the statutes of 1903, incorporating the Pacific Bank 1903, c. 174 ;
of Canada, or in chapter 113 of the statutes of 1904, respecting 1904, c. 113.
the said Bank, the Treasury Board may, on or before the
thirty-first day of December, one thousand nine hundred and
five, give the said Bank the certificate required by section 14
of *The Bank Act*. Treasury
Board
certificate.

2. In the event of the said Bank not obtaining the said Failure
to obtain
certificate.
certificate from the Treasury Board within the time aforesaid,
the rights, powers and privileges conferred on the said Bank
by the said Act of incorporation and by this Act shall there-
upon cease and determine, but otherwise shall remain in full
force and effect, notwithstanding section 16 of *The Bank Act*.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 146.

An Act respecting a patent of the Paper Goods Company, Limited.

[Assented to 16th May, 1905.]

WHEREAS the Paper Goods Company, Limited, having Preamble
its head office at the city of Toronto, in the province of Ontario, has, by its petition, represented that it is the holder of letters patent issued under the seal of the Patent Office, and dated the fourth day of June, one thousand eight hundred and ninety-eight, for patent number sixty thousand two hundred and twenty-nine, for improvements in cigar pockets; and whereas the said company has prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Notwithstanding anything in *The Patent Act*, or in the letters patent mentioned in the preamble, the Commissioner of Patents may receive from the Paper Goods Company, Limited, the application for a certificate of payment of further fees and the usual fees for an extension of the duration of the said patent for the remainder of the term of eighteen years from the date of the said letters patent, and may grant and issue to the said Company the certificate of payment of fees provided by *The Patent Act*, and an extension of the duration of the said patent to the full term of eighteen years in as full and ample a manner as if the application therefor had been duly made within the first six years from the date of issue of the said patent. Commissioner of Patents may extend term of patent. R.S.C., c. 61.

2. If any person, other than any licensee, has, in the period between the fourth day of June, one thousand nine hundred and four, and the twenty-seventh day of January, one thousand nine hundred and five, commenced to manufacture, use and sell, in Canada, the patented invention covered by the said patent number sixty thousand two hundred and twenty-nine, Certain rights saved.
such

such person may continue to manufacture, use and sell such invention as in full and ample a manner as if this Act had not been passed : Provided that such exemption shall not extend to any person having commenced the construction or manufacture of the said invention before the expiry of the patent, without the consent of the holder of such patent.

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4-5 EDWARD VII.

CHAP. 147.

An Act for the relief of George Pearson.

[Assented to 20th July, 1905.]

WHEREAS George Pearson, of the city of Toronto, in the Preamble. county of York, in the province of Ontario, contractor, has by his petition humbly set forth that on the eleventh day of May, one thousand eight hundred and ninety-one, at the town of Peterboro in the province of Ontario, he was lawfully married to Teresa Odelia Pearson, then Teresa Odelia Schriber; that the said marriage was by license duly obtained and was celebrated by the Reverend Mr. Lock; that they cohabited for a period of about nine years; that in the year, one thousand nine hundred and two, at the city of Buffalo, in the state of New York, one of the United States of America, she committed adultery with one Chris. Johnston, and has since then on divers occasions committed adultery with the said Chris. Johnston; that she has since lived with the said Chris. Johnston as man and wife; that the petitioner ever since he discovered the said adultery has lived separate and apart from her and that he has never since cohabited with her; and whereas he has humbly prayed that the said marriage may be dissolved so as to enable him to marry again and that such further relief may be afforded him as is deemed meet; and whereas he has proved the said allegations of his petition and it is expedient that the prayer thereof be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The said marriage between the said George Pearson and Teresa Odelia Pearson, his wife, is hereby dissolved and Marriage dissolved. shall be henceforth null and void to all intents and purposes whatsoever.

Right to
marry again.

2. The said George Pearson may at any time hereafter marry any woman whom he might lawfully marry if the said marriage with the said Teresa Odelia Pearson had not been solemnized.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 148.

An Act for the relief of Isaac Pitblado.

[Assented to 20th July, 1905.]

WHEREAS Isaac Pitblado, of the city of Winnipeg in the Preamble. province of Manitoba, barrister, has, by his petition, set forth that on the twentieth day of September, one thousand eight hundred and ninety-two, he was lawfully married to Almira Pitblado, whose maiden name was Almira Calef; that the said marriage was duly solemnized at the city of Portland in the state of Oregon, one of the United States of America; that at the date of the said marriage he was, and ever since has continued to be, and is now, domiciled at the said city of Winnipeg; that they cohabited as man and wife until in or about the month of June, one thousand nine hundred and four; that there was born to them one girl on the tenth day of June, one thousand eight hundred and ninety-four, and one boy on the twenty-third day of February, one thousand eight hundred and ninety-six, both still living; that since the said marriage she has committed adultery; that ever since he discovered the said adultery they have lived separate and apart and have not cohabited; and whereas he has humbly prayed that the said marriage may be dissolved and that he may be authorized to marry again, and that he be given the custody of the said children, and that such further relief may be afforded him as is deemed meet; and whereas he has proved the said allegations of his petition and it is expedient that the prayer thereof should be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The said marriage between the said Isaac Pitblado and the said Almira Pitblado, his wife, is hereby dissolved and shall be henceforth null and void to all intents and purposes whatsoever. Marriage dissolved.

2. The said Isaac Pitblado may at any time hereafter marry any woman whom he might lawfully marry in case the said marriage with the said Almira Pitblado had not been solemnized. Right to marry again.

Custody of
children.

3. The said Isaac Pitblado shall have the permanent custody and control of the persons of his said children, Almira Campbell Pitblado and Edward Bruce Pitblado, without any right of interference whatsoever on the part of the said Almira Pitblado.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 149.

An Act respecting the Board of the Presbyterian College, Halifax.

[Assented to 16th May, 1905.]

WHEREAS the Board of the Presbyterian College, Halifax, Preamble.
has represented that, under the authority of chapter 92
of the statutes of 1902, it holds, manages and controls the 1902, c. 92.
moneys, securities and funds of a certain scheme of the Presby-
terian Church in Canada, Eastern Section, known as "The
Aged and Infirm Ministers' Fund, Eastern Section," and
whereas the said board has, by its petition, prayed that it be
enacted as hereinafter set forth, and it is expedient to grant
the prayer of the said petition: Therefore His Majesty, by
and with the advice and consent of the Senate and House of
Commons of Canada, enacts as follows:—

1. The Board of the Presbyterian College, Halifax, may assign, transfer and set over unto the Board of Trustees of the Presbyterian Church in Canada all funds now vested in, managed and controlled by the said the Board of the Presbyterian College, Halifax, of, forming part of, or belonging to the said fund known as "The Aged and Infirm Ministers' Fund, Eastern Section," hereinafter called "the said fund," and the Board of Trustees of the Presbyterian Church in Canada may receive, take over, hold, manage, invest and administer the property, securities and funds of the said fund.

Transfer of
Aged and
Infirm Minis-
ters' Fund
to trustees of
Presbyterian
Church.

2. The Board of Trustees of the Presbyterian Church in Canada may—

Powers of
trustees in
relation to
fund.

(a.) adopt, enforce and reduce into possession any mortgage, bill, note or other security for money now outstanding in favour of the said Board of the Presbyterian College, Halifax, for the benefit of the said fund;

(b.) collect all rates and dues payable to the said fund, and pay and disburse such rates and dues according to the rules in force governing the payment and disbursement thereof;

(c.) exercise all the powers, rights and authority now held and enjoyed by the said Board of the Presbyterian College,

Halifax, in relation to the said fund by virtue of the said chapter 92 of the statutes of 1902, subject nevertheless to any rules, regulations and directions of the General Assembly of the Presbyterian Church in Canada now in force with respect to the administration and management of the said fund, or which may hereafter be passed or enacted by the said Assembly with respect thereto.

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4-5 EDWARD VII.

CHAP. 150.

An Act for the Relief of James Arthur Pryor.

[Assented to 16th May, 1905.]

WHEREAS James Arthur Pryor, of Chickney, in the dis- Preamble.
trict of Assiniboia, in the North-west Territories of
Canada, farmer, has, by his petition, humbly set forth that
on the fourth day of March, one thousand eight hundred and
eighty-nine, he was married to Mildred Pryor, formerly Mild-
red Garrett, of Kenlis, in the district of Assiniboia; that
there were born of the said marriage five children, four of
whom are still living; that on or about the twenty-first day of
January, one thousand eight hundred and ninety-six, she
deserted him and went to the village of Grenfell, in the district
of Assiniboia, and has not since then resided with him; that
she went through the form of marriage with one Hooper in
the year one thousand nine hundred, and still is living in
adultery with the said Hooper; and whereas the said James
Arthur Pryor has humbly prayed that his said marriage with
her may be dissolved and that he may be authorized to marry
again, and that such further relief may be afforded him as is
deemed meet; and whereas the said James Arthur Pryor has
proved the said allegations of his petition, and it is expedient
that the prayer thereof be granted: Therefore His Majesty,
by and with the advice and consent of the Senate and House
of Commons of Canada, enacts as follows:—

1. The said marriage between the said James Arthur Pryor and the said Mildred Pryor, his wife, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever. Marriage dissolved.

2. The said James Arthur Pryor may at any time hereafter marry any other woman whom he might lawfully marry in case the said first mentioned marriage with the said Mildred Pryor had not been solemnized. Right to marry again.



4-5 EDWARD VII.

CHAP. 151.

An Act to incorporate the Provident Financial Association, Limited.

[Assented to 20th July, 1905.]

WHEREAS a petition has been presented praying that it be Preamble.
enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition: Therefore His Majesty,
by and with the advice and consent of the Senate and House
of Commons of Canada, enacts as follows:—

1. Louis Adolphe Mongenais, Joseph Duclos, Louis Octave Demers, Joseph Amédée Lamarche and Léon Joseph Mouton, all of the city of Montreal, together with such persons as become shareholders of the company, are incorporated under the name of “The Provident Financial Association, Limited,” Incorporation.
Corporate name.
hereinafter called “the Company.”

2. The persons named in section 1 of this Act shall be the Provisional directors.
first or provisional directors of the Company.

3. The capital stock of the Company shall be one hundred Capital stock.
thousand dollars, divided into shares of one hundred dollars each.

2. The directors may, after the whole capital stock has been Increase of capital.
subscribed and fifty per cent paid thereon in cash, increase the amount of the capital stock from time to time to an amount not exceeding two hundred and fifty thousand dollars; but the stock shall not be increased until a resolution of the board of directors authorizing such increase has been first submitted to and confirmed by two-thirds in value of the shareholders present or represented by proxy at a special general meeting of the shareholders duly called for that purpose.

4. The head office of the Company shall be in the city of Head office.
Montreal, in the province of Quebec.

First general
meeting.

5. The first general meeting of the shareholders shall be held at the head office of the Company within twelve months after the passing of this Act, upon a date to be fixed by the provisional directors, and each subsequent annual meeting shall be held in the city of Montreal at such time as is fixed by by-law of the Company.

Annual
meeting.

Directors.

6. The affairs of the Company shall be managed by a board of five directors, three of whom shall constitute a quorum.

Qualification
of directors.

2. No person shall be a director unless he is the holder of at least twenty shares of the capital stock of the Company and has paid all calls due thereon, and all liabilities incurred by him to the Company.

Powers of
Company.
Dealing in
bonds, etc.

7. The Company may—

(a.) underwrite, buy, pledge and otherwise deal in bonds, debentures or obligations of corporations, whether secured by mortgage or otherwise, and Dominion, Provincial, British, foreign or other public securities, with the privileges and rights thereto attached ;

Borrowing
powers.

(b.) borrow money upon the security of mortgages, hypothecs, bonds or other securities belonging to the Company.

Payment
preliminary to
commencing
business.

8. The Company shall not commence business until the whole of the capital stock has been subscribed and at least fifty per cent has been paid thereon in cash into the funds of the Company to be appropriated only for the purposes of the Company under this Act.

Forfeiture
for non-user.

9. The powers granted by this Act shall expire and cease to be in force at the expiration of two years from the passing hereof unless the Company goes into actual operation within such two years.

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4-5 EDWARD VII.

CHAP. 152.

An Act respecting the Red Deer Valley Railway and Coal Company.

[Assented to 16th May, 1905.]

WHEREAS the Red Deer Valley Railway and Coal Com- Preamble.
pany has by its petition prayed that it be enacted as 1889, c. 52 ;
hereinafter set forth, and it is expedient to grant the prayer of 1891, c. 76 ;
the said petition : Therefore His Majesty, by and with the 1897, c. 60 ;
advice and consent of the Senate and House of Commons of 1900, c. 77 ;
Canada, enacts as follows :— 1903, c. 181.

1. Notwithstanding anything in the Acts relating to the Red Deer Valley Railway and Coal Company, the said Company may commence the construction of its lines of railway and expend fifteen per cent of the amount of its capital stock thereon within two years after the passing of this Act, and may finish the said railway and put it in operation within five years after the passing of this Act ; and if the said railway is not so commenced and such expenditure is not so made, or if the said railway is not finished and put in operation, within the said periods respectively, the powers of construction conferred upon the said Company by Parliament shall cease and be null and void as respects so much of the said railway as then remains uncompleted.

Time for construction of railways extended.

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4-5 EDWARD VII.

CHAP. 153

An Act respecting the Regina and Hudson's Bay Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Regina and Hudson's Bay Railway Com- Preamble.
pany has, by its petition, prayed that it be enacted as here-
inafter set forth, and it is expedient to grant the prayer of the
said petition : Therefore His Majesty, by and with the advice 1903, c. 182.
and consent of the Senate and House of Commons of Canada,
enacts as follows :—

1. Section 11 of chapter 182 of the statutes of 1903 is re- 1903, c. 182,
pealed, and the following is substituted therefor :— s. 11 repealed.

"11. If the construction of the railway is not commenced, Time for
and fifteen per cent of the amount of the capital stock is not construction
expended thereon, before the twenty-fifth day of June, one of railway
thousand nine hundred and seven, or if the railway is not extended.
finished and put in operation before the twenty-fifth day of
June, one thousand nine hundred and ten, the powers con-
ferred upon the Company by Parliament shall cease and be
null and void as respects so much of the railway as then
remains uncompleted."

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 154.

An Act respecting the Richmond and Drummond Fire Insurance Company.

[Assented to 16th May, 1905.]

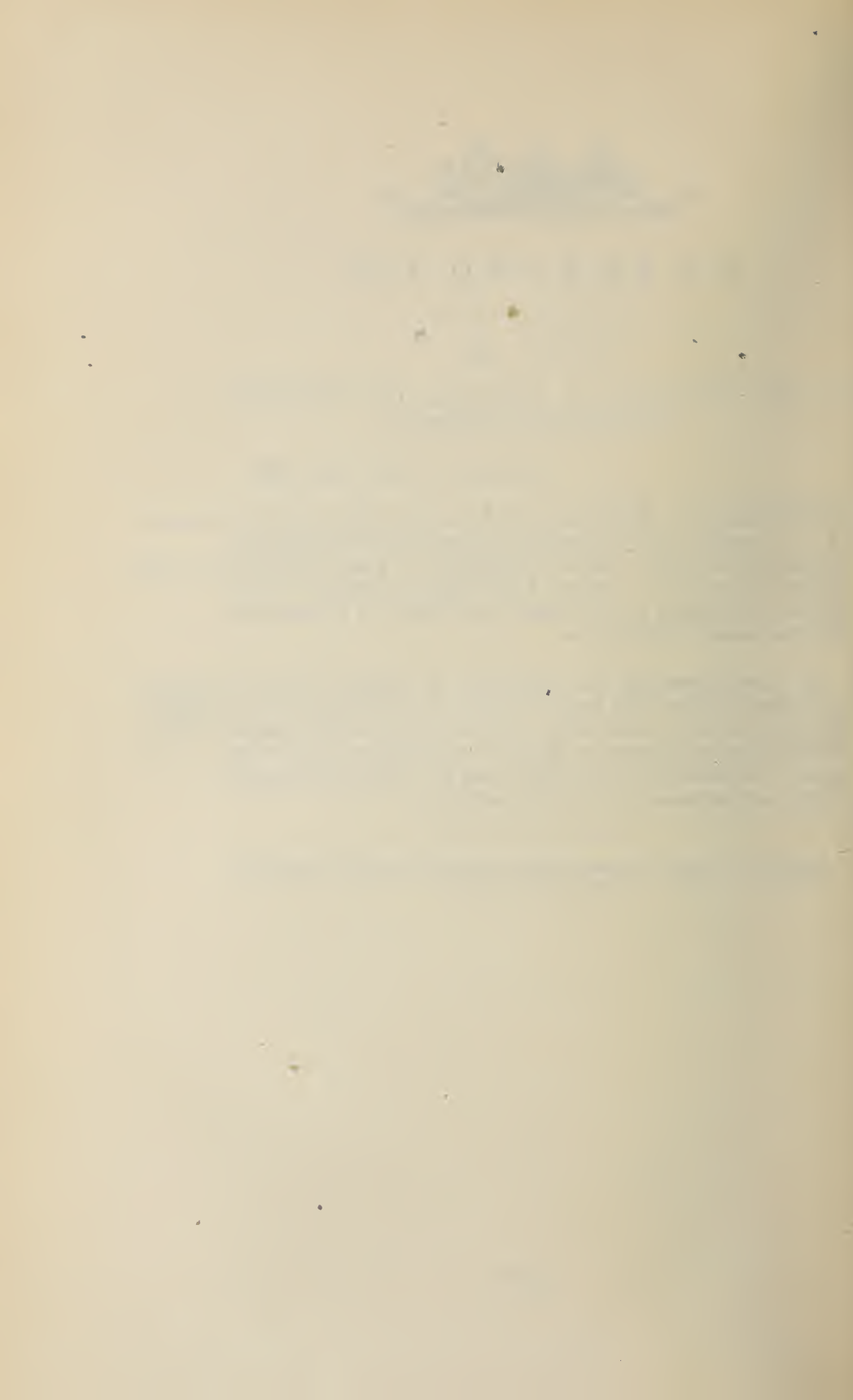
WHEREAS the Richmond and Drummond Fire Insurance Company has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.
1903, c. 183.

1. Notwithstanding the provisions of section 24 of *The Insurance Act*, the time limited therein for obtaining a license from the Minister authorizing the Richmond and Drummond Fire Insurance Company to carry on the business of fire insurance, is extended for two years from the twenty-fifth day of June, one thousand nine hundred and five.

Time for obtaining license extended.

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4-5 EDWARD VII.

CHAP. 155.

An Act to incorporate the St. Mary's and Western Ontario Railway Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it be Preamble.
enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition: Therefore His Majesty,
by and with the advice and consent of the Senate and House
of Commons of Canada, enacts as follows:—

1. J. M. Adam, T. O. Robson, F. E. Butcher, P. S. Arm- Incorporation.
strong, James Chalmers, R. S. Box, R. W. Dillon, all of the
town of St. Mary's and J. A. Rollins, J. W. Taylor and T. B.
Carling, all of the village of Exeter, in the county of Huron,
together with such persons as become shareholders in the com-
pany, are incorporated under the name of "The St. Mary's Corporate
and Western Ontario Railway Company," hereinafter called name.
"the Company."

2. The undertaking of the Company is declared to be a Declaratory.
work for the general advantage of Canada.

3. The persons named in section 1 of this Act are consti- Provisional
tuted provisional directors of the Company. directors.

4. The capital stock of the Company shall be one million Capital stock.
dollars. No one call thereon shall exceed ten per cent on the
shares subscribed.

5. The head office of the Company shall be in the town of Head office.
St. Mary's.

6. The annual meeting of the shareholders shall be held Annual
on the first Tuesday in September. meeting.

7. The number of directors shall be not less than five nor Number of
more than nine, one or more of whom may be paid directors. directors.

Line of
railway
described.

8. The Company may lay out, construct and operate a railway of the gauge of four feet eight and one-half inches from some point on the Canadian Pacific Railway between the city of Woodstock, in the county of Oxford, and the city of London, in the county of Middlesex, in a northerly direction to a point in or near the town of St. Mary's, thence in a westerly direction to a point in or near the village of Exeter, in the county of Huron, thence in a southerly and westerly direction to a point on the St. Clair river in or near the town of Sarnia, in the county of Lambton.

Issue of
securities.

9. The securities issued by the Company shall not exceed twenty-five thousand dollars per mile of the railway, and may be issued only in proportion to the length of railway constructed or under contract to be constructed.

Agreement
with another
company.

10. Any agreement provided for in section 281 of *The Railway Act*, 1903, may be entered into between the Company and the Canadian Pacific Railway Company.

Powers of
Company.

11. The Company may, for the purpose of its railway undertaking and in connection with its railway business, —

(a.) carry on the business of navigation on the navigable bays, lakes and rivers adjacent to its line of railway, and acquire and use steam and other vessels for the transportation of passengers and freight, and dispose thereof;

(b.) acquire water powers for the generation of electricity, and operate electrical works for the transmission of power necessary for the operation of its railway, and utilize them for the purpose of heating and lighting, and may dispose of power not required for its undertaking subject, however, to the provisions of subsection 3 of section 195 of *The Railway Act*, 1903.

Docks, hotels,
etc.

12. The Company may, in connection with its railway and for the purpose of its business, construct, acquire, operate and maintain warehouses and hotels at any points along its railway.



4-5 EDWARD VII.

CHAP. 156.

An Act respecting the Saint Maurice Valley Railway Company.

[Assented to 20th July, 1905.]

WHEREAS the Saint Maurice Valley Railway Company has Preamble.
by its petition prayed that it be enacted as hereinafter
set forth, and it is expedient to grant the prayer of the said
petition: Therefore His Majesty, by and with the advice and
consent of the Senate and House of Commons of Canada,
enacts as follows:—

1. Section 8 of chapter 123 of the statutes of 1904 is hereby 1904, c. 123,
repealed, and the following is substituted therefor:— s. 8 amended.

"8. The Company may lay out, construct and operate a Line of railway.
railway of the gauge of four feet eight and one-half inches,
such railway to begin at a point in the city of Three Rivers,
in the county of Three Rivers and St. Maurice, and crossing
the line of the Canadian Pacific Railway within the limits of
the city of Three Rivers, extending in a north-westerly direc-
tion on the west side of the St. Maurice River to a point
between Grey's Falls and Point Chevalier, in the county of
Three Rivers and St. Maurice; thence crossing to the east
side of the river St. Maurice and running in a northerly direc-
tion to a point where, crossing the river St. Maurice, the line
enters the town of Shawinigan Falls; thence through the
town of Shawinigan Falls and following the valley of the river
St. Maurice in a northerly and north-easterly direction to a
point at or near the town of Grand'Mère; thence in a north-
erly and north-westerly direction to a point of intersection
with the projected line of the National Transcontinental Rail-
way."

2. Any agreement provided for in section 281 of *The* Agreement with another company.
Railway Act, 1903, may be entered into between the said
Company and the Great Northern Railway of Canada, the
Canadian Pacific Railway Company, the Grand Trunk Pacific
Railway Company, or the Grand Trunk Railway Company of
Canada.



4-5 EDWARD VII.

CHAP. 157.

An Act to incorporate the Saskatchewan Bridge Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Charles M. Hays, Hugh A. Allan, William Wainwright, Joseph Hobson, H. A. Woods, Henry Philips and William H. Biggar, all of the city of Montreal, and Frank Oliver and K. W. Mackenzie, both of the city of Edmonton, together with such persons as become shareholders in the company, are incorporated under the name of "The Saskatchewan Bridge Company," hereinafter called "the Company."

Incorporation.

Corporate name.

2. The undertaking of the Company is declared to be a work for the general advantage of Canada.

3. The persons named in section 1 of this Act are constituted provisional directors of the Company. If any provisional director shall die or resign before the first election of directors, the vacancy may be filled by the remaining provisional directors.

Provisional directors.

4. The capital stock of the Company shall be two hundred and fifty thousand dollars. No one call thereon shall exceed ten per cent on the shares subscribed.

Capital stock.

5. The head office of the Company shall be in the city of Montreal, or in such other place in Canada as the Company determines by-law.

Head office.

6. The annual meeting of the shareholders shall be held on the third Tuesday in September.

Annual meeting.

Number of directors. **7.** The number of directors shall be not less than five nor more than nine, one or more of whom may be paid officers of the Company.

Construction of bridge. **8.** The Company may lay out, construct, maintain, work, manage and use a bridge for railway and general traffic purposes over the Saskatchewan river from a point at or near Strathcona to a point on the opposite side of the said river at or near Edmonton, both in the province of Alberta, with the necessary approaches and all tracks, machinery and appliances required to enable any railway companies whose lines shall connect therewith to use the said bridge and approaches, and may construct and arrange the said bridge and approaches for the use of foot passengers and vehicles, or either, as well as for railway purposes, and may do and execute all other things necessary or convenient for the construction, working, maintenance and support of the said bridge and approaches, and may purchase, acquire and hold real estate, including land for terminals, sidings and other accommodation for the construction of the said bridge and approaches and for the convenient working of the traffic to, from and over the said bridge, as the Company deems necessary for any of the said purposes.

For railway.

For passengers and vehicles.

Power to acquire real property.

Construction of piers in Saskatchewan river. **9.** The Company may, subject to the provisions of *The Railway Act, 1903*, erect and sink such piers, abutments, blocks and structures in the Saskatchewan river as are deemed necessary or desirable for the construction of the said bridge or to efficiently protect it from the effects of ice and freshets or for any other purposes in connection with the said bridge that the Company sees fit.

Expropriation of lands. **10.** Subject to the provisions of *The Railway Act, 1903*, as to the taking of lands and the compensation to be made therefor, the Company may, from time to time, take and use such lands on either side of the said river as shall be required for the purpose of building, maintaining and supporting the said bridge and approaches and for terminal facilities and sidings in connection with the said bridge.

Equal rights over bridge to all companies. **11.** So soon as the said bridge is completed and ready for traffic, all trains and cars of all railways connecting therewith, now constructed or hereafter to be constructed, and also the trains and cars of all companies whose lines connect with the line of any company so connecting with the said bridge, shall have and be entitled to the same and equal rights and privileges in the passage of the said bridge, so that no discrimination or preference in the passage of the bridge and approaches, or in the tariff rates for transportation, shall be made in favour of or against any railway whose trains pass over the said bridge.

Board of Railway Commissioners. **12.** In case of any disagreement as to the rights of any railway company whose trains or cars pass over the said bridge

and approaches, or as to the tolls to be charged therefor, the same shall be determined by the Board of Railway Commissioners for Canada. to determine disputes.

13. If the Company constructs the said bridge for the use of foot passengers and carriages, or either, as well as for railway purposes, the Company may, for such use, charge tolls approved of by the Board of Railway Commissioners for Canada. Use of bridge for general purposes.

14. In case of refusal or neglect of payment on demand of any such tolls, they may be sued for and recovered in any court of competent jurisdiction, or the agents or employees of the Company may seize the goods, cars or engines for or in respect of which such tolls are payable and detain them until payment thereof, and in the meantime the said property shall be in all respects at the risk of the owners thereof. Recovery of tolls.

15. The Company may, subject to the sanction and approval thereof by the Board of Railway Commissioners for Canada, make such by-laws, rules and regulations as it deems necessary and proper for the control, management, working and use of the said bridge, approaches and terminal facilities. Regulations respecting bridge.

16. The Company may enter into agreements with any other company duly authorized for the placing, maintaining and operating of wires and appliances for the transmission of electric power and energy along, upon or across the said bridge and approaches, and also with any electric street railway or tramway company respecting the use of the said bridge and approaches. Agreements with certain companies.

17. Any agreement provided for in section 281 of *The Railway Act, 1903*, may be entered into between the Company and the Grand Trunk Pacific Railway Company, the Canadian Pacific Railway Company, or the Canadian Northern Railway Company. Agreements with other companies.

18. The securities issued by the Company shall not exceed one million dollars. Issue of securities.

2. The said securities shall be secured by a mortgage deed of trust covering the said bridge, approaches, terminals and other property of the Company or such portion thereof as the Company deems advisable, and the said mortgage deed of trust may contain a provision, among others, that all tolls and revenues derived from the use of the said bridge, approaches, terminals and other property of the Company shall be specially charged and pledged as security for the payment of the said bonds, debentures or other securities and the interest thereon. Mortgage of tolls and revenues.

19. The bridge shall be commenced within three years and completed within seven years after the passing of this Act, Time for construction of bridge limited.
otherwise

otherwise the powers hereby granted to the Company shall cease and be null and void as respects so much of the works of the Company as then remains uncompleted.

1903, c. 58. **20.** The provisions of *The Railway Act*, 1903, shall, so far as they are applicable and not inconsistent with the provisions of this Act, apply to the Company and to the operation of any trains or cars of any other company over the said bridge and approaches, but nothing in *The Railway Act*, 1903, shall be construed so as to prevent a director of the Grand Trunk Pacific Railway Company from being a director of the Company.

Proviso.

R.S.C., c. 118 **21.** *The Companies Clauses Act* shall not apply to the
not to apply. Company.

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4-5 EDWARD VII.

CHAP. 158.

An Act respecting the South Shore Railway Company and the Quebec Southern Railway Company.

[Assented to 20th July, 1905.]

WHEREAS, by chapter 10 of the statutes of 1896 (second session), the undertaking of the South Shore Railway Company was declared a work for the general advantage of Canada and the Company was constituted a body corporate and politic within the legislative authority of the Parliament of Canada; and whereas, by chapter 101 of the statutes of 1902, the delay for the building and completion of the Company's railway, as described in section 8 of the said chapter 10, was extended to the fifth day of October, 1905; and whereas, by chapter 76 of the statutes of 1900, the Quebec Southern Railway Company was incorporated by the Parliament of Canada, with power to acquire the railways of both the United Counties Railway Company and the East Richelieu Valley Railway Company, which railways have since been acquired, and with power to amalgamate the said railways with that of the South Shore Railway Company; and whereas the said South Shore Railway and its accessories and the Quebec Southern Railway and its accessories are in the hands of a receiver, duly appointed according to law, and it is necessary that the said railways be sold under an order of the Exchequer Court; and whereas the said companies have, by their petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of said petition as hereinafter set forth, and to provide for the sale of the said railways: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.
1896 (2 Sess.),
c. 10.
1902, c. 101.
1900, c. 76.
(Que.), 1888,
c. 95.
(Que.), 1890,
54 V., c. 91.
(Que.), 1895,
58 V., c. 2.
(Que.), 1895,
59 V., c. 60.
(Que.), 1897,
60 V., c. 4.

1. The Exchequer Court may order the sale of the said above-mentioned railways and accessories as soon as possible and convenient after the passing of this Act.

Exchequer Court may order sale of railways.

2. The South Shore Railway and its accessories and the Quebec Southern Railway and its accessories shall be sold separately

Mode, etc., of sale.

separately or together as in the opinion of the Exchequer Court would be for the best interests of the creditors of the said companies and according to the order of the Exchequer Court, which order may provide the mode of selling, the notices of sale to be given to the creditors, and the place where such sale may take place; and the sale of the said railways and accessories made under such order of the Exchequer Court shall have the same effect as a sheriff's sale of immovables under the laws of the province of Quebec; and the buyer shall have, under such sale, a clear title, free from all charges, hypothecs, privileges and encumbrances whatever; and the purchaser may run and operate the railway so purchased until the end of the then next session of the Parliament of Canada, subject to the provisions of *The Railway Act*, 1903; and after such purchase all rights and privileges possessed by the said South Shore Railway Company and the Quebec Southern Railway Company shall vest in and may be exercised by the said purchaser.

Effect of sale.

Completion of
South Shore
Ry.

3. The purchaser of the South Shore Railway may complete the railway which by the Act of incorporation of the South Shore Railway Company the latter was authorized to construct, or any portion thereof, on or before the fifth day of October, 1910; provided that as to so much thereof as is not completed within that period the powers to complete the said railway shall cease and terminate.

Payment of
creditors.

4. In the distribution of the proceeds of the price of sale of said railways, or either of them, the creditors thereof shall be paid in order of priority according to law, and any amalgamation, merger or sale of either of said railways which might exist shall not in any way defeat or prejudice any legitimate claim existing against either of the said railways previous to such amalgamation, merger or sale, or affect its priority.

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4-5 EDWARD VII.

CHAP. 159.

An Act to incorporate the Sovereign Fire Assurance Company of Canada.

[Assented to 16th May, 1905.]

WHEREAS the persons hereinafter named have, by their Preamble. petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition : Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

1. William Dineen, Robert E. Menzie, John T. Hornibrook, Edmund E. Sheppard and Josiah B. King, all of the city of Toronto, in the county of York and province of Ontario, together with such persons as become shareholders in the company, are incorporated under the name of “The Sovereign Fire Assurance Company of Canada,” hereinafter called “the Company.” Incorporation.
Corporate name.

2. The persons named in section 1 of this Act, together with such persons, not exceeding six, as they associate with them, shall be the provisional directors of the Company, the majority of whom shall be a quorum ; and they may forthwith open stock books, procure subscriptions of stock for the undertaking, make calls on stock subscribed and receive payments thereon, and shall deposit in a chartered bank in Canada all moneys received by them on account of stock subscribed or otherwise received by them on account of the Company, and shall withdraw the said moneys for the purposes of the Company only, and may do generally what is necessary to organize the Company. Provisional directors.

3. The capital stock of the Company shall be two million dollars, divided into shares of forty dollars each, and the subscribed shares shall be paid up in full within three years after the date of subscription : Provided that the Company shall not commence the business of assurance until sixty-five thousand dollars of the capital stock have been paid in cash into the funds of the Company, to be appropriated only for the Capital stock.
When business may be commenced.

the purposes of the Company under this Act : Provided further that the amount so paid in by any shareholder shall not be less than ten per cent of the amount subscribed by him.

Head office.

4. The head office of the Company shall be in the city of Toronto, in the province of Ontario.

Branches.

2. The directors may, from time to time, establish branches, sub-boards or agencies, either in Canada or elsewhere, in such manner as the directors from time to time appoint.

First general meeting.

5. So soon as two hundred and fifty thousand dollars of the capital stock of the Company have been subscribed, and ten per cent of that amount has been paid into some chartered bank in Canada, the provisional directors shall call a general meeting of the shareholders of the Company at some place to be named in the city of Toronto, at which meeting the shareholders present or represented by proxy, who have paid not less than ten per cent on the amount of shares subscribed for by them, shall elect a board of not less than seven nor more than twenty-five directors, of whom the majority shall be a quorum.

Election of directors.

Qualification of directors.

2. No person shall be a director unless he holds in his own name and for his own use at least thirty shares of the capital stock of the Company, and has paid all calls due thereon and all liabilities incurred by him to the Company.

Annual meeting.

6. A general meeting of the Company shall be called once in each year, after the organization of the Company and the commencement of business, at its head office, and at such meeting a statement of the affairs of the Company shall be submitted.

Business of Company.

7. The Company may carry on the business of fire insurance and may cause itself to be insured against any risk it may have undertaken, and may reinsure any other person against any risks that such person may have undertaken.

Power to hold real estate.

8. The Company may acquire and dispose of any real property required in part or wholly for the use and accommodation of the Company, but the annual value of such property held in any province of Canada shall not exceed five thousand dollars except in the province of Ontario, where it shall not exceed ten thousand dollars.

R.S.C., c. 124.

9. This Act, and the Company hereby incorporated, and the exercise of the powers hereby conferred shall be subject to the provisions of *The Insurance Act*.

R.S.C., c. 118.

10. *The Companies Clauses Act*, except sections 18 and 39 thereof, shall apply to the Company in so far as the said Act is not inconsistent with any of the provisions of *The Insurance Act* or of this Act.



4-5 EDWARD VII.

CHAP. 160.

An Act to incorporate the Sterling Bank of Canada.

[Assented to 20th July, 1905.]

WHEREAS the persons hereinafter named have, by their Preamble.
petition, prayed that an Act be passed for the purpose
of establishing a bank in Canada, and it is expedient to
grant the prayer of the said petition: Therefore His Majesty,
by and with the advice and consent of the Senate and House of
Commons of Canada, enacts as follows:—

1. The persons hereinafter named, together with such others Incorporation.
as become shareholders in the corporation by this Act created,
are hereby constituted a corporation by the name of "The
Sterling Bank of Canada," hereinafter called "the Bank." Corporate name.

2. The capital stock of the Bank shall be one million Capital.
dollars.

3. The chief office of the Bank shall be at the city of Chief office.
Toronto, in the province of Ontario.

4. John Dryden, Gabriel Thomas Somers, Henry Wilber- Provisional
force Aikins, George Brewer Woods and Marmaduke Rawlin- directors.
son, all of the city of Toronto, shall be the provisional directors
of the Bank.

5. This Act shall, subject to the provisions of section 16 of Duration of
The Bank Act, continue in force until the first day of July, Act. 1890, c. 31.
A.D. 1911.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 161.

An Act respecting the Timagami Railway Company,
and to change its name to "The Ontario Northern
and Timagami Railway Company."

[Assented to 16th May, 1905.]

WHEREAS the Timagami Railway Company has by its Preamble.
petition prayed that it be enacted as hereinafter set forth,
and it is expedient to grant the prayer of the said petition : 1898, c. 87 ;
Therefore His Majesty, by and with the advice and consent of 1900, c. 84 ;
the Senate and House of Commons of Canada, enacts as 1902, c. 106 ;
follows :— 1904, c. 134.

1. The name of the Timagami Railway Company, herein- Name
after called "the Company," is changed to "The Ontario changed.
Northern and Timagami Railway Company" ; but such change
in name shall not in any way impair, alter or affect the rights
or liabilities of the Company, nor in any wise affect any suit or Existing
proceeding now pending or judgment existing either by, or in rights not
favour of, or against, the Company, which, notwithstanding affected.
such change in the name of the Company, may be prosecuted,
continued, completed and enforced as if this Act had not been
passed.

2. The Company may lay out, construct and operate an Line of
extension of its line of railway from a point in or near the town railway
of Sturgeon Falls, or at or near Verner station on the Canadian authorized.
Pacific Railway, or between Sturgeon Falls station and Verner
station on the Canadian Pacific Railway, south-westerly to a
point on Georgian Bay at or near the mouth of the French
river, or at or near Byng Inlet, and the said extension shall be
commenced within two years and completed and put in opera-
tion within five years after the passing of this Act, failing
which the powers of construction granted by Parliament shall
cease and be null and void as respects so much of the said
extension as then remains uncompleted.

3. The Company may, under the authority of a resolution Preference
passed by the ordinary shareholders at a special general meeting stock.
duly

duly called for that purpose, at which meeting shareholders representing at least three-fourths in value of the subscribed capital stock of the Company are present or represented by proxy, issue any portion of its capital stock as preference stock, upon such terms and conditions, and having such preference and priority as respects dividends and otherwise over ordinary stock, as is declared by such resolution.

Rights of holders.

2. Holders of such preference stock shall be shareholders within the meaning of *The Railway Act*, 1903, and shall in all respects possess the rights and be subject to the liabilities of shareholders within the meaning of that Act: Provided however, that with respect to dividends and otherwise they shall, as against the ordinary shareholders, be entitled to the preference and rights given by such resolution.

1898, c. 87,
new s. 10.

4. Section 10 of chapter 87 of the statutes of 1898 is repealed, and the following is substituted therefor:—

Issue of securities.

“10. The securities issued by the Company shall not exceed thirty thousand dollars per mile of its railway, and may be issued only in proportion to the length of railway constructed or under contract to be constructed.”

1898, c. 87,
s. 14, and
1902, c. 106
repealed.

5. Section 14 of chapter 87 of the statutes of 1898, and chapter 106 of the statutes of 1902, are repealed.

OTTAWA: Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 162.

An Act to incorporate the Title and Trust Company.

[Assented to 20th July, 1905.]

WHEREAS a petition has been presented praying that it be Preamble.
enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition: Therefore His Majesty,
by and with the advice and consent of the Senate and House
of Commons of Canada, enacts as follows:—

1. Thomas Jenkins, James Hardy, William James Clark, Incorporation.
Samuel John Frame and Arthur James Hardy, all of the city
of Toronto, together with such persons as become shareholders
in the company, are incorporated under the name of “The Title Corporate
and Trust Company,” hereinafter called “the Company.” name.

2. The persons named in section 1 of this Act shall be the Provisional
provisional directors of the Company, a majority of whom shall directors.
be a quorum.

3. The capital stock of the Company shall be one million Capital stock.
dollars, divided into shares of one hundred dollars each.

4. The head office of the Company shall be in the city of Head office.
Toronto, but the directors may establish branch offices and
local directorates at such other places as they determine.

5. The business of the Company shall be managed by a Directors.
board of not less than five nor more than twenty directors, of
whom a majority shall be a quorum.

6. No shareholder shall be eligible for election as a director Qualification
unless he holds in his own right at least twenty shares upon of directors.
which all calls have been paid; and if any director makes any
assignment for the benefit of creditors or comes within the
operation of any insolvent law then in force, or ceases to hold
twenty shares in his own right, he shall, *ipso facto*, cease to be
a director.

First general meeting.

6. So soon as one hundred thousand dollars of the capital stock has been subscribed, and twenty per cent thereof has been paid in cash into some chartered bank in Canada, to be withdrawn only for the purposes of the Company, the directors shall call a general meeting of the shareholders, for the purpose of passing by-laws and electing directors, to be held at such place and time, in the city of Toronto, as the directors appoint, of which meeting not less than one week's notice shall be given by advertisement in one newspaper published in the city of Toronto, and by circular addressed and registered to each shareholder at his last known address.

Calls on stock.

7. Calls on stock may be made by the directors at such times and in such proportions as they deem proper.

2. No one call shall exceed ten per centum nor shall any call be made at a less interval than one month from the next preceding call.

When business may be commenced.

8. The Company shall not commence business until two hundred and fifty thousand dollars of the capital stock has been subscribed and seventy-five thousand dollars paid thereon; and a further sum of twenty-five thousand dollars shall be paid in within one year after such commencement of business.

Business of Company.

9. The Company may guarantee the title to, or the quiet enjoyment of, property, either absolutely or subject to qualifications and conditions, and may guarantee any person interested in or about to become interested in, or owning, or about to purchase or acquire any real property, against any losses, actions, proceedings, claims or demands by reason of any insufficiency or imperfections or deficiency of title or in respect of encumbrances, burdens or outstanding rights; and may guarantee the due payment of the whole or part of any loan, advance, mortgage or claim, hypothecary or otherwise, or the interest thereon; and may issue its guarantee certificates or policies in such form as it determines and for such remuneration as it fixes.

"Title insurance."

2. The business described in subsection 1 of this section is hereinafter called and may be known as "title insurance."

Other business.

10. The Company, in connection with and as ancillary to its business of title insurance, may also:—

Auditing.

(a.) examine, report upon and audit the books, accounts, conditions and standing of corporations, partnerships and individuals when requested or authorized so to do by such corporations, partnerships and individuals, and also when required by an order of a court of competent jurisdiction;

Trust moneys.

(b.) receive money in trust for the purposes herein specified, and invest and accumulate it at such rates of interest as may be obtained therefor;

Trustee.

(c.) accept and execute all such trusts of every description as are entrusted to it by any government or person, or which

are committed or transferred to it by any order, judgment or decree of any court, and may execute the office of executor, administrator, trustee, accountant, arbitrator, adjuster, auditor, receiver, assignee, liquidator, sequestrator, guardian, curator, or committee of a lunatic, and perform the duties of such offices or trusts as fully and completely as any person appointed to such office could do ; and in all cases where application is made to any court, judge, officer or person having authority to make an appointment to any such office or trust, such court, judge, officer or person may appoint the Company, with its consent, to hold such office or trust, and may substitute, if necessary, for any obligations required from a private person appointed to such offices such usual obligations as are applicable to corporations, and may fix the remuneration of the Company ; take, hold and accept by grant, assignment, transfer, deed, will, devise, bequest or otherwise, any real or personal estate upon any lawful trusts, and perform and execute them according to the terms and for the purposes declared, established or agreed upon ; accept from and execute trusts for married women in respect of their separate property, real or personal, and act as agent for them in the management of such separate property ; guarantee repayment of the principal or payment of the interest, or both, of any moneys entrusted to the Company for investment, on such terms and conditions as are agreed upon ; act as agent for countersigning, registering or otherwise ascertaining and certifying to the genuineness of any issue of stock, bonds, debentures or other securities for money of any government or person duly authorized to issue and make the same, and hold the same as agent or trustee ; and may guarantee the payment thereof, both of principal and interest, and may act generally as fiscal or other agent for any such government or person ;

(d.) act as agent or attorney for winding up estates, receiving Agent. or collecting any principal, debts, debentures or other securities or evidences of debt or demands of any nature, and in the sale or purchase of any real or personal property, and generally act in all matters in the nature of a trust or general agency ;

(e.) be the custodian, on such terms as are agreed upon, of Safe deposit. any jewellery, plate and other valuable property, and of deeds, wills, debentures, and other evidences of title or indebtedness, and for that purpose establish and operate safe deposit vaults ;

(f.) act as investing and managing agent of estates and pro- Management of estates. perties for and on behalf of executors, administrators and trustees, or other persons.

11. The Company shall invest trust moneys as follows, and may manage sell or dispose of such investments as the terms of the trust require,— Investment of trust moneys.

(a.) upon first mortgages of improved freehold property in Canada, and may accept personal property or covenants by way of collateral security thereto ; Mortgages of real estate.

Stock and securities.

(b.) in the stock, funds or government securities of Canada, or of any province of Canada, or of the United States, or guaranteed thereby respectively, or in bonds or debentures of any municipal corporation in any such province, (other than municipal corporations having a population of less than two thousand or an annual rate of assessment exceeding two cents on the dollar exclusive of school tax,) or in the bonds and debentures of any school district in any such province, or in the public stock, funds, or government securities of the United Kingdom, or any of the colonies or dependencies thereof;

Securities specified by a trust.

Existing securities.

(c.) in such securities as are specified by the terms of the trust.

2. Nothing in this section shall prevent the Company from holding securities of any other kind which form or are part of any trust estate which comes into its hands, and it may hold such securities subject to the trusts and legal obligations attached thereto, but in case of the realization of any portion thereof the proceeds shall be invested as herein directed unless the will, deed, order or instrument creating the trust has provided otherwise.

Trust funds to be kept separate.

12. The moneys and securities of any such trust shall always be kept distinct from those of the Company, and in separate accounts, and so marked for each particular trust as always to be distinguished from any other in the registers and other books of account to be kept by the Company, so that at no time shall trust moneys form part of or be mixed with the general assets of the Company; and the Company shall, in the receipt of rents and in the overseeing and management of trusts and other property, keep distinct records and accounts of all operations connected therewith; provided that in the management of the money and property held by the Company as trustee, or in any other official capacity, under the powers conferred by this Act, the Company may, unless the authority making the appointment otherwise directs, invest the trust money in the manner provided by section 11 of this Act in a general trust fund of the Company; provided, however, that the total amount of money of any one trust invested in the said general trust fund shall not, at any time exceed three thousand dollars.

Proviso.

Trust property not liable for debts of Company.

13. Moneys, properties and securities received or held by the Company upon trust or as agent shall not be liable for the debts or obligations of the Company.

Accounts to be rendered by Company when made trustee by a court.

14. In case of the appointment of the Company to any trust or office by any court in Canada, or any judge, officer or person having lawful authority in that behalf, such court, judge, officer or person may, from time to time, require the Company to render an account of its administration of the particular trust or office to which it has been appointed, and may from time

to time appoint a suitable person to investigate the affairs and management of the Company, and as to the security afforded to those by or for whom its engagements are held, and such persons shall report thereon to such court, judge, officer or person, and the expenses of such investigation shall be borne as ordered by such court, judge, officer or person.

15. The Company may hold such real estate as is necessary for the transaction of its business, not exceeding the net yearly value of five thousand dollars, and any further real estate of whatever value which, being mortgaged or hypothecated to it, is acquired by it for the protection of its investments, and may, from time to time sell, mortgage, lease or otherwise dispose thereof; but the Company shall sell any real estate acquired in satisfaction of any debt due to itself, other than as trustee or in an official capacity, within seven years after such acquisition, unless such time shall be extended by order of the Governor in Council, otherwise such real estate shall revert to His Majesty for the use of Canada.

Real estate which may be held.

16. The Company may invest any moneys forming part of its own capital, or reserve or accumulated profit thereon, in any of the securities mentioned in section 11 of this Act, or in the bonds or debentures of any incorporated building society or loan company which would be accepted by the Treasury Board as deposits from insurance companies under *The Insurance Act*, or on the security of real estate in Canada or of any interest in such real estate, or on the security of the debentures, bonds, stock and other securities of any chartered bank or company incorporated by or under the authority of the Parliament of Canada, or of the legislature of any province of Canada, as the directors deem expedient.

Investment of moneys of Company.

17. Nothing in this Act shall be construed to authorize the Company to issue any note payable to the bearer thereof, or any promissory note intended to be circulated as money or as the note of a bank, or to engage in the business of banking, or in the business of insurance except as provided in section 9 hereof.

Note issue prohibited.
Banking prohibited.

18. The powers and authority hereby granted to the Company shall be exercised in any province subject to the laws of such province in that behalf, and shall not have any force or effect in any province in any respect in which they are inconsistent with the laws of such province.

Provincial laws.

19. The provisions of *The Insurance Act* shall apply to the Company with respect to its business of title insurance.

2. The initial deposit with the Receiver General for a license for the said business shall be fifty thousand dollars, provided

Deposit with Receiver General.

that within two years from the issue of such license the said deposit shall be increased to the sum of at least seventy-five thousand dollars; provided further that the Treasury Board may at any time and from time to time require such increases in the said deposit as may be deemed expedient.

Security for losses and expenses.

3. The said deposit shall be regarded as security for the payment of losses and expenses incurred in respect of the title insurance business of the Company.

Annual statement to be given to Minister of Finance.

20. In addition to the statement required by virtue of subsection 1 of section 19 of this Act, the Company shall prepare and annually transmit to the Minister of Finance a statement in duplicate, verified by the oath of the president or vice-president and of the manager or secretary, setting forth the capital stock of the Company, the proportion thereof paid up, the assets and liabilities of the Company other than such as appertain exclusively to its title insurance business, and the trust property held by it, and such other details as the said Minister requires, and such statement shall be made up to the thirty-first day of December in each year.

R.S.C., c. 118. 21. *The Companies Clauses Act*, except sections 7, 18 and 39 thereof, shall apply to the Company.

Forfeiture for non-user.

22. The charter of the Company shall be forfeited if the Company does not go into actual operation within two years after the passing of this Act.

OTTAWA: Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 163.

An Act respecting the Toronto and Hamilton Railway Company.

[Assented to 16th May, 1905.]

WHEREAS a petition has been presented praying that it be Preamble.
enacted as hereinafter set forth, and it is expedient to
grant the prayer of the said petition: Therefore His Majesty, 1903, c. 196
by and with the advice and consent of the Senate and House 1904, c. 135.
of Commons of Canada, enacts as follows:—

1. The Toronto and Hamilton Railway Company may, Preference stock.
under the authority of a resolution passed by the ordinary
shareholders at a special general meeting duly called for that
purpose, at which meeting shareholders representing at least
three-fourths in value of the subscribed capital stock of
the Company are present or represented by proxy, issue any
portion of its capital stock as preference stock, upon such terms
and conditions and having such preference and priority as
respects dividends and otherwise over ordinary stock as is
declared by such resolution.

2. Holders of such preference stock shall be shareholders Rights of holders.
within the meaning of *The Railway Act, 1903*, and shall in
all respects possess the rights and be subject to the liabilities
of shareholders within the meaning of that Act: Provided
however, that with respect to dividends and otherwise they
shall, as against the ordinary shareholders, be entitled to the
preference and rights given by such resolution.

OTTAWA: Printed by SAMUEL EDWARD DAWSON, Law Printer to the King's
most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 164.

An Act respecting the Toronto and Hamilton Railway Company.

[Assented to 7th June, 1905.]

WHEREAS the Toronto and Hamilton Railway Company has, by its petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition : Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

Preamble.
1903, c. 196.
1904, c. 135.

1. Notwithstanding anything in chapter 196 of the statutes of 1903, or in chapter 135 of the statutes of 1904, the Toronto and Hamilton Railway Company may construct its railway upon or along Burlington Beach in the county of Wentworth without the consent of the townships of Saltfleet and Nelson, upon the provisions of section 122 of *The Railway Act*, 1903, being complied with and upon the plans, profile and book of reference being sanctioned and approved of by the Board of Railway Commissioners for Canada as provided by *The Railway Act*, 1903,—the width and location of the right of way upon and along the said beach to be specifically settled and determined by the said Board : Provided always that the Toronto and Hamilton Railway Company and the Niagara, St. Catharines and Toronto Railway Company shall have one right of way only upon or along Burlington Beach, to be used by the said companies in common, upon terms to be mutually agreed upon between them or to be determined by the said Board.

Construction of railway on Burlington Beach.

Approval of Board of Railway Commissioners.

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4-5 EDWARD VII.

CHAP. 165.

An Act respecting the Toronto, Hamilton and Buffalo Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Toronto, Hamilton and Buffalo Railway Company has, by its petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.

1891, c. 86;
1893, c. 62;
1895, c. 66;
1896 (1st Sess.)
c. 39;
1903, c. 197.

1. The Toronto, Hamilton and Buffalo Railway Company may, by by-law, increase the number of its directors to a number not exceeding thirteen.

Power to
increase
number of
directors.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 166.

An Act for the relief of Agnes Hedevig Helga Salusbury Trelawney.

[Assented to 20th July, 1905.]

WHEREAS Agnes Hedevig Helga Salusbury Trelawney, of Preamble.
the city of Winnipeg, in the province of Manitoba,
wife of John William Salusbury Trelawney, late of the town
of Minnedosa, in the said province, but now residing at the
city of Montreal, in the province of Quebec, gentleman, hath
by her petition set forth that on the ninth day of December,
A.D. 1891, she, then Agnes Hedevig Helga Braddick, was
lawfully married to him at the said city of Winnipeg;
that there is issue of the marriage one daughter; that they
cohabited till the month of August, A.D. 1904, when she
separated from him; that before the said separation he com-
mitted adultery with a person unknown to the petitioner and
that also since the said separation he has committed adultery;
and whereas she has humbly prayed that the said marriage
may be dissolved and that she may be authorized to marry
again and that such further relief may be afforded her as is
deemed meet; and whereas she has proved the said allegations
of her petition, and it is expedient that the prayer thereof be
granted: Therefore His Majesty, by and with the advice and
consent of the Senate and House of Commons of Canada,
enacts as follows:—

1. The said marriage between the said Agnes Hedevig Marriage
Helga Salusbury Trelawney and John William Salusbury dissolved.
Trelawney her husband is hereby dissolved and shall be hence-
forth null and void to all intents and purposes whatsoever.

2. The said Agnes Hedevig Helga Salusbury Trelawney Right to
may at any time hereafter marry any man whom she might marry again.
lawfully marry if the said marriage with the said John Wil-
liam Salusbury Trelawney had not been solemnized.



4 - 5 EDWARD VII.

CHAP. 167.

An Act to incorporate "La Compagnie du chemin de fer électrique de Trois-Rivières, St. Maurice, Maskinongé et Champlain."

[Assented to 20th July, 1905.]

WHEREAS a petition has been presented praying that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.

1. Philippe Elisée Panneton, L. Edmond Dufresne, Pierre Joseph Héroux, Louis Philippe Normand and Jacques Bureau, all of the city of Three Rivers, in the county of Three Rivers and St. Maurice, in the province of Quebec, together with such persons as become shareholders in the company, are incorporated under the name of "La Compagnie du chemin de fer électrique de Trois-Rivières, St. Maurice, Maskinongé et Champlain," hereinafter called "the Company."

Incorporation.

Corporate name.

2. The persons named in section 1 of this Act are constituted provisional directors of the Company.

Provisional directors.

3. The capital stock of the Company shall be six hundred thousand dollars. No one call thereon shall exceed ten per cent on the shares subscribed.

Capital stock.

4. The head office of the Company shall be in the city of Three Rivers, in the province of Quebec.

Head office.

5. The annual meeting of the shareholders shall be held on the first Wednesday in September.

Annual meeting.

6. The number of directors shall be not less than five nor more than nine, one or more of whom may be paid directors.

Directors.

7. The Company may lay out, construct and operate a railway of the gauge of four feet eight and one-half inches, from

Line of railway described.

from the city of Three Rivers, in the county of Three Rivers and St. Maurice, westerly, through the municipalities of the parish of Three Rivers, Pointe du Lac and Yamachiche, in the said county, and also through the parish of Rivière du Loup and the town of Louiseville into the parish of Maskinongé, in the county of Maskinongé; also easterly, from the said city of Three Rivers, through the municipalities of Cap de la Madeleine, Champlain and Batiscan into the parish of Ste. Anne de la Pérade, in the county of Champlain, in the province of Quebec.

Motive power. 2. Steam may be used for the purpose of constructing the said railway, but shall not be used as motive power for its operation.

Declaratory. 3. The works authorized by this section are declared to be for the general advantage of Canada.

Highway crossings. 4. Notwithstanding anything in *The Railway Act*, 1903, the Company shall not construct or operate its line of railway along any highway or other public place without first obtaining the consent, expressed by by-law, of the municipality having jurisdiction over such highway or other public place, and upon terms to be agreed on with such municipality.

Application to Railway Commission for leave. 5. Before making application to the Board of Railway Commissioners for Canada under section 186 of *The Railway Act*, 1903, for leave to construct the railway across any existing highway, the Company shall apply to the municipality wherein such highway lies for leave to make the crossing, and, if leave is not granted, shall give to the municipality at least ten days' notice of its intention to apply to the Board for permission to make the crossing.

Issue of securities. 8. The securities issued by the Company shall not exceed twenty thousand dollars per mile of the railway, and may be issued only in proportion to the length of railway constructed or under contract to be constructed.

Agreements with other companies. 9. Any agreement provided for in section 281 of *The Railway Act*, 1903, may be entered into between the Company and the Canadian Pacific Railway Company and the St. Maurice Valley Railway Company; provided that no such agreement shall authorize the use of steam as a motive power on the line of the Company.

Water and steam power. 10. Subject to the provisions of subsection 2 of section 7 of this Act, and of subsection 3 of section 195 of *The Railway Act*, 1903, the Company may, for the purposes of its undertaking, acquire and utilize water and steam power for the purpose of compressing air or generating electricity for lighting, heating or motor purposes, and may dispose of surplus power generated by the Company's works and not required for the undertaking of the Company, and, for the purposes of such acquisition, utilization and disposal, may construct, operate and maintain lines for the conveyance of light, heat, power and electricity.

11. For the purposes of its undertaking the Company may acquire electric or other power or energy, which may be transmitted and delivered to any place in the municipalities through which the railway is authorized to be built, and may receive, transform, transmit, distribute and supply such power or energy in any form, and may dispose of the surplus thereof.

Acquisition
and transmis-
sion of power.

12. Nothing in this Act shall authorize the Company to construct or operate any telegraph or telephone lines or any lines for the purpose of distributing electricity for lighting, heating or motor purposes, or disposing of surplus power generated by the Company's works and not required for the undertaking of the Company, upon, along or across any highway or public place, without first obtaining the consent, expressed by by-law, of the municipality having jurisdiction over such highway or public place, and upon terms to be agreed with such municipality.

Telegraphs
and
telephones
in muni-
cipalities.

2. The Company may construct and operate telegraph and telephone lines upon its railway, and, for the purpose of operating such lines or exchanging and transmitting messages, may enter into contracts with any companies having telegraph or telephone powers, and may connect its own lines with the lines of, or may lease its own lines to, any such companies.

Telegraphs
and
telephones
upon
Company's
railways.

3. The Company may transmit messages for the public and collect rates or charges therefor; but no rates or charges shall be demanded or taken for the transmission of any message, or for leasing or using the telegraphs or telephones of the Company, until it has been approved of by the Governor in Council, who may also revise such rates and charges from time to time.

Rates and
charges.

4. *The Electric Telegraph Companies Act* shall apply to the telegraphic business of the Company.

Approval
of rates.

13. The Company and its undertaking shall be subject to such provisions of any general Act now or hereafter passed by the Legislature of the province of Quebec as provide, in the interest of public health or safety, for the control and regulation of the transmission, distribution or supply of electricity in any form.

Provincial
laws as to pub-
lic health and
safety.



4 - 5 E D W A R D V I I.

CHAP. 168.

An Act respecting a patent, Number 69772, of the Underwood Typewriter Company.

[Assented to 20th July, 1905.]

WHEREAS the Underwood Typewriter Company, has, by Preamble
its petition, represented that it is the owner of letters patent issued under the seal of the Patent Office, and dated the twenty-seventh day of December, one thousand nine hundred, for patent number sixty-nine thousand seven hundred and seventy-two, for improvements in tabulating devices for typewriting machines; and whereas the said Company has prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

1. Notwithstanding anything in *The Patent Act*, as amended by chapter 46 of the statutes of 1903, or in the letters patent mentioned in the preamble, the failure to construct or manufacture, in Canada, the invention patented under the said patent shall be deemed not to have affected the validity of the said patent, but the time for such construction or manufacture shall be deemed to have been duly extended up to the end of six months from the passing of this Act, and such extension shall have the same effect as if applied for and granted within the time prescribed by chapter 46 of the statutes of 1903. Time for manufacture extended. R.S.C., c. 61. 1903, c. 46.

2. If any person has in the period between the twenty-seventh day of December, one thousand nine hundred and three, and the eighteenth day of March, one thousand nine hundred and five, commenced to manufacture, use and sell in Canada the invention covered by the said patent, such person may continue to manufacture, use and sell such invention in as full and ample a manner as if this Act had not been passed. Rights of third persons saved.



4-5 EDWARD VII.

CHAP. 169.

An Act respecting certain patents of the Underwood Typewriter Company.

[Assented to 20th July, 1905.]

WHEREAS the Underwood Typewriter Company, having Preamble.
its head office at the city of New York, in the United States, has, by its petition, represented that it is the holder of letters patent issued under the seal of the Patent Office, for the following patents, namely, patent number eighty-six thousand five hundred and eleven, dated the twelfth day of April, one thousand nine hundred and four, for improvements in typewriting machines, number eighty-seven thousand four hundred and ninety, dated the twenty-fourth day of May, one thousand nine hundred and four, for improvements in reversing mechanisms for typewriters, and number eighty-nine thousand and twenty-eight, dated the thirtieth day of August, one thousand nine hundred and four, for improvements in polychrome typewriters; and whereas the said Company has prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Notwithstanding anything in *The Patent Act*, as amended by chapter 46 of the statutes of 1903, or in the letters patent mentioned in the preamble, the Underwood Typewriter Company may, at any times within six months from the passing of this Act, import or cause to be imported into Canada the inventions for which the patents mentioned in the preamble are granted; and any importations of the said patented inventions made heretofore or during the said six months shall not make the said patents void, or cause forfeiture of any rights acquired thereunder.

Extension of time for importation into Canada.
R.S.C., c. 61.
1903, c. 46.



4-5 EDWARD VII.

CHAP. 170.

An Act respecting *L'Union Saint-Joseph de la cité d'Ottawa*, and to change its name to *L'Union Saint-Joseph du Canada*.

[Assented to 20th July, 1905.]

WHEREAS a petition has been presented praying that it Preamble.
be enacted as hereinafter set forth, and it is expedient
to grant the prayer of the said petition: Therefore His
Majesty, by and with the advice and consent of the Senate
and House of Commons of Canada, enacts as follows:—

1. The name of *L'Union Saint-Joseph de la cité d'Ottawa*, Name
hereinafter called "the Society," is changed to "*L'Union Saint-* changed.
Joseph du Canada," but such change of name shall not in any
way impair, alter or effect the rights or liabilities of the Society,
nor in any wise affect any suit or proceeding now pending, or
judgment existing, either by, or in favour of, or against the Existing
Society, which, notwithstanding such change in the name of rights not
the Society, may be prosecuted, continued, completed and en- affected.
forced as if this Act had not been passed.

2. The head office of the Society shall be in the city of Head office.
Ottawa.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 171.

An Act respecting the Vancouver and Coast-Kootenay Railway Company.

[Assented to 20th July, 1905.]

WHEREAS the Vancouver and Coast-Kootenay Railway Company has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Section 11 of chapter 199 of the statutes of 1903 is repealed.

1903, c. 199,
section 11
repealed.

2. The Vancouver and Coast-Kootenay Railway Company may commence the construction of its railways, and expend fifteen per cent of its capital stock thereon, within two years after the passing of this Act, and may finish the railways and put them in operation within five years after the passing of this Act, and if the railways are not so commenced and such expenditure is not so made, or if the railways are not finished and put in operation, within the said respective periods, the powers granted to the said Company by Parliament shall cease and be null and void as respects so much of the railways as then remains uncompleted.

Time for
construction
of railways
extended.

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4-5 EDWARD VII.

CHAP. 172.

An Act respecting the Vancouver, Victoria and Eastern Railway and Navigation Company.

[Assented to 20th July, 1905.]

WHEREAS the Vancouver, Victoria and Eastern Railway and Navigation Company, incorporated by chapter 75 of the statutes of 1897, of the province of British Columbia, and referred to in chapter 89 of the statutes of 1898, chapter 111 of the statutes of 1902 and chapter 137 of the statutes of 1904 of Canada, and hereinafter called "the Company," has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition : Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

Preamble.

B.C., 1897,
c. 75.
1898, c. 89 ;
1902, c. 111 ;
1904, c. 137.

1. The Company as now organized is hereby declared to be, and to have been since the passing of the Act, chapter 89, of the statutes of 1898, a body corporate and politic within the legislative authority of the Parliament of Canada, with power to lay out, construct, equip, maintain and operate the railway and other works described in chapter 75 of the statutes of 1897 of British Columbia and, so far as the legislative authority of the Parliament of Canada extends thereto, with all the other powers set forth in the said provincial Act except in so far as any provision of the said provincial Act granting such powers is inconsistent with *The Railway Act*, 1903 ; and this Act and the said Acts, chapter 89 of the statutes of 1898, chapter 111 of the statutes of 1902, chapter 137 of the statutes of 1904 and *The Railway Act*, 1903, shall hereafter, except as aforesaid, apply to the Company and to its undertaking instead of the said provincial Act and "The British Columbia Railway Act."

Declaratory.

1898, c. 89.

B.C., 1897,
c. 75.

Statutes of
Canada
exclusively
to apply to
Company.

2. Nothing in this Act shall affect any suit, action or other proceeding now pending, or judgment rendered, or order made, before the date of the passing of this Act.

Existing
proceedings
not affected.

2. The Company may, in addition to the lines of railway already authorized, construct, and operate a railway from
Olivers

Line of
railway
authorized.

Olivers on the line of the Victoria Terminal Railway and Ferry Company to the south bank of the Fraser river near Liverpool, and to connect with the bridge over the Fraser river near Liverpool.

Present powers shall apply to.

2. All powers of the Company in relation to its railway already authorized shall apply to the railway authorized by subsection 1 of this section.

Connection with railways in state of Washington.

3. The Company may, at such points on the international boundary line between the west bank of the Similkameen river and the Columbia river as the Governor in Council deems expedient, for the purpose of avoiding difficulties in construction, make connections between the Company's railway and any railways in the state of Washington owned, controlled or operated by any railway company authorized to make such connections; and may, subject to the approval of the Board of Railway Commissioners, enter into any agreements for the lease of any portion of such railways necessary to effect the purpose aforesaid or for the obtaining of running rights over such portion; and may construct, aid in the construction of, and, when constructed, maintain and operate such portion as part of the continuous line of the Company's railway instead of the line authorized by the Acts relating to the Company and by this Act.

Agreements with other companies.

4. Any agreement provided for in section 281 of *The Railway Act*, 1903, may be entered into between the Company and the Vancouver, Westminster and Yukon Railway Company, the Victoria Terminal Railway and Ferry Company, and the New Westminster Southern Railway Company or any of them.

Declaratory as to railways of such companies.

2. Upon any agreement for purchase being entered into the railway or portion thereof to which such agreement applies shall after purchase thereupon become, and is hereby declared to be, a work for the general advantage of Canada, and may be operated as a portion of the railway of the Company.

Time for construction of railways extended.

5. The construction of the railways authorized by the said Act of the province of British Columbia and by this Act may be commenced within two years after the passing of this Act, and the said railways may be finished and put in operation within five years after the passing of this Act; and if the said railways are not so commenced, or are not finished and put in operation, within the said respective periods, the powers granted for such construction shall cease and be null and void as respects so much of the said railways as then remains uncompleted.

1898, c. 89, s. 4, and 1904, c. 137, repealed.

6. Section 4 of chapter 89 of the statutes of 1898, and chapter 137 of the statutes of 1904, are repealed.

7. The Company shall, within two years from the passing of this Act, commence the construction of the western portion of its main line from a point at or near Cloverdale, and continuously prosecute construction in an easterly direction to Princeton, along the route as laid down in the original charter of the Company, being 75 of 60 Victoria of the statutes of British Columbia.

Construction
between
Cloverdale
and Princeton.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 173

An Act respecting the Vancouver, Westminster and Yukon Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Vancouver, Westminster and Yukon Railway Company has, by its petition, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition : Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :—

Preamble.
1901, c. 87.

1. Section 3 of chapter 87 of the statutes of 1901 is repealed, and the following is substituted therefor :—

New section 3.

“3. The capital stock of the Company shall be twelve million dollars. No one call thereon shall exceed ten per cent on the shares subscribed.”

Capital stock.

2. Section 10 of the said Act is repealed.

Section 10
repealed.

3. Notwithstanding anything contained in *The Railway Act*, 1903, or in any other Act, the construction of the railway of the Vancouver, Westminster and Yukon Railway Company may be proceeded with and the railway finished and put in operation within five years after the passing of this Act ; and if the said railway is not so finished and put in operation within the said period, then the powers granted to the said Company by Parliament shall cease and be null and void as respects so much of the railway as then remains uncompleted.

Time for construction of railway extended.

4. Any agreement provided for in section 281 of *The Railway Act*, 1903, may be entered into between the said Company and the Vancouver, Victoria and Eastern Railway and Navigation Company.

Agreement with another company.



4-5 EDWARD VII.

CHAP. 174.

An Act for the relief of Philip Vibert.

[Assented to 20th July, 1905.]

WHEREAS Philip Vibert, of the town of Lethbridge in the district of Alberta, in the North-west Territories of Canada, bank manager, has by his petition humbly set forth that on the fifth day of June, one thousand eight hundred and ninety-four, he was lawfully married to Louie Blanche Vibert, formerly Louie Blanche Martin; that they cohabited until the twenty-sixth day of January, one thousand nine hundred and three, and had issue of the said marriage two children, both of whom are living; that on or about the twenty-sixth day of January, one thousand nine hundred and three, they agreed to separate and live apart from each other; that on the twenty-sixth day of January, one thousand nine hundred and three, she left him and went to the city of Montreal, in the Dominion of Canada, and afterwards to the city of New York, in the state of New York, one of the United States of America, and has not since resided with him; that since the date of the said separation she has committed adultery in the city of New York in the state of New York, one of the United States of America; and whereas he has humbly prayed that the said marriage may be dissolved so as to enable him to marry again, and that such further relief may be afforded to him as is deemed meet; and whereas he has proved the said allegations in his petition, and it is expedient that the prayer thereof be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.

1. The said marriage between the said Philip Vibert and Louie Blanche Vibert his wife is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Marriage dissolved.

Right to
marry again.

2. The said Philip Vibert may at any time hereafter marry any woman whom he might lawfully marry in case the said marriage with the said Louie Blanche Vibert had not been solemnized.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 175.

An Act respecting the Walkerton and Lucknow Railway Company.

[Assented to 16th May, 1905.]

WHEREAS the Walkerton and Lucknow Railway Com- Preamble.
pany has, by its petition, prayed that it be enacted as
hereinafter set forth, and it is expedient to grant the prayer of 1904, c. 138.
the said petition: Therefore His Majesty, by and with the
advice and consent of the Senate and House of Commons of
Canada, enacts as follows:—

1. The Walkerton and Lucknow Railway Company, here- Lines of
railway
authorized.
inafter called “the Company,” may lay out, construct and
operate the following railways, in the province of Ontario,
that is to say:—

(a.) an extension of its authorized line, from a point at or
near the village of Hanover in the county of Grey, thence
passing through or near the village of Durham, to a point of
connection with the Toronto, Grey and Bruce Railway between
Markdale and Dundalk;

(b.) an extension of its authorized line, from a point at or
near the village of Lucknow to a point at or near the town of
Wingham;

(c.) a branch line, from a point at or near the village of
Teeswater north-westerly to a point at or near the town of
Mincardine.

2. Each of the said railways shall be commenced within Time for
construction
limited.
two years and completed within five years after the passing of
this Act, otherwise the powers hereby granted for its construc-
tion shall cease as to so much thereof as then remains un-
completed.

3. All the provisions of the Company’s Act of incorporation, Act of
incorporation
to apply.
except in so far as they are inconsistent with this Act, shall,
so far as applicable, apply to the railways which the Com-
pany is by this Act authorized to construct and operate.

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most Excellent Majesty.



4-5 EDWARD VII.

CHAP. 176.

An Act respecting the Western Alberta Railway Company.

[Assented to 7th June, 1905.]

WHEREAS the Western Alberta Railway Company has by Preamble. its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. If the construction of the railway of the Western Alberta Railway Company is not commenced, and fifteen per cent of the amount of the capital stock is not expended thereon, within two years from the passing of this Act, or if the railway is not finished and put in operation within five years from the passing of this Act, the powers conferred upon the Company by Parliament shall cease and be null and void as respects so much of the railway as then remains uncompleted. Extension of time for construction.

2. Chapter 85 of the statutes of 1900, and section 3 of chapter 200 of the statutes of 1903 are hereby repealed. Repeal of previous limitations of time.

3. Subject to the provisions of sections 281 to 283, both inclusive, of *The Railway Act*, 1903, the Western Alberta Railway Company may enter into an agreement with the Alberta Railway and Irrigation Company for the sale or lease of the railway and undertaking of the Western Alberta Railway Company, in whole or in part, and also of its rights, franchises, powers, privileges, assets and properties, real and personal, or for an amalgamation with that company under the name of "The Alberta Railway and Irrigation Company." Agreement with the Alberta Railway and Irrigation Company authorized.

TABLE OF CONTENTS

ACTS OF CANADA

FIRST SESSION, TENTH PARLIAMENT, 4-5 EDWARD VII., 1905.

LOCAL AND PRIVATE ACTS

(The figures denote the numbers at the bottom of the pages.)

CHAP.	PAGE.
50. An Act respecting the Canada Atlantic Railway Company.....	3
51. An Act respecting the Alberta Central Railway Company.....	5
52. An Act respecting the Alberta Railway and Irrigation Company.....	7
53. An Act respecting the Algoma Central and Hudson Bay Railway Company.....	9
54. An Act to incorporate the Algoma Copper Range Railway Company.....	53
55. An Act to incorporate the Annuity Company of Canada.....	55
56. An Act to incorporate the Anthracite Coal Railway Company.	59
57. An Act to incorporate the Athabaska Northern Railway Company.....	61
58. An Act to incorporate the Athabasca Railway Company.....	63
59. An Act respecting the Atlantic, Quebec and Western Railway Company.....	65
60. An Act respecting the Battleford and Lake Lenore Railway Company.....	67
61. An Act respecting the Bay of Quinté Railway Company.....	69
62. An Act respecting the Brandon, Saskatchewan and Hudson's Bay Railway Company.....	71
63. An Act to incorporate the Brantford and Woodstock Railway Company.....	73

(The figures denote the numbers at the bottom of the pages.)

CHAP.	PAG ^r
64. An Act respecting the Brockville, Westport and North-western Railway Company.....	5
65. An Act to incorporate the Calgary and Battleford Railway Company.....	7
66. An Act respecting the Calgary and Edmonton Railway Company.....	9
67. An Act to incorporate the Calgary, Red Deer and Battleford Railway Company.....	3
68. An Act respecting the Canada Central Railway Company.....	5
69. An Act respecting the Canada and Michigan Bridge and Tunnel Company.....	7
70. An Act respecting the Canada Southern Bridge Company.....	9
71. An Act respecting the Canada Southern Railway Company.....	9
72. An Act respecting the Canadian Northern Railway Company..	9 ³
73. An Act respecting the Canadian Pacific Railway Company....	5
74. An Act to incorporate the Canadian West Life Insurance Company.....	9 ¹
75. An Act respecting the Grand Trunk Railway Company of Canada.....	1 ¹
76. An Act respecting the Canadian Yukon Western Railway Company.....	1 ³
77. An Act respecting the Grand Council of the Catholic Mutual Benefit Association of Canada.....	10 ⁵
78. An Act respecting the Central Counties Railway Company.....	10 ¹
79. An Act respecting the Ottawa River Railway Company, and to change its name to "The Central Railway Company of Canada.".....	10 ³
80. An Act respecting the Century Life Insurance Company.....	11 ¹
81. An Act respecting the Citizens' Bank of Canada.....	11 ³
82. An Act respecting the Columbia and Western Railway Company	11 ⁵

TABLE OF CONTENTS.

iii

(The figures denote the numbers at the bottom of the pages.)

CHAP.	PAGE.
83. An Act to incorporate the Crown Casualty Company of Canada	117
84. An Act to amend "An Act respecting certain patents of William A. Damen.".....	121
85. An Act respecting the Dominion Atlantic Railway Company...	123
86. An Act respecting the Kingston and Dominion Central Railway Company, and to change its name to "The Dominion Central Railway Company.".....	125
87. An Act to incorporate the Edmonton Boom Company.....	127
88. An Act respecting the Edmonton, Yukon and Pacific Railway Company.....	131
89. An Act respecting certain patents of Jean Effront.....	133
90. An Act respecting the Esquimalt and Nanaimo Railway Company.....	135
91. An Act respecting certain patents of the Facer Solid Steel Car Wheel Company of Perth, Limited.....	137
92. An Act respecting the Farmers Bank of Canada	139
93. An Act to incorporate the Fessenden Wireless Telegraph Company of Canada.....	141
94. An Act for the relief of Jane Marie Fitz-Simons.....	145
95. An Act to incorporate the Georgian Bay and Seaboard Railway Company.....	147
96. An Act respecting Gillies Brothers, Limited.....	149
97. An Act respecting a patent of the Gold Medal Furniture Manufacturing Company, Limited.....	153
98. An Act respecting the Grand Trunk Pacific Railway Company	155
99. An Act respecting the Great Northern Railway of Canada....	275
100. An Act respecting the North-west Coal and Coke Railway Company, and to change its name to "The Great West Railway Company.....	311
101. An Act respecting the Guelph and Georgian Bay Railway Company.....	313

(The figures denote the numbers at the bottom of the pages.)

CHAP.	PAGE.
102. An Act respecting the Hamilton, Galt and Berlin Railway Company, and to change its name to "The Hamilton, Galt and Guelph Railway Company".....	315
103. An Act for the relief of George Dance Harper.....	317
104. An Act respecting the Hudson's Bay and Pacific Railway Company.....	319
105. An Act respecting the Huron and Erie Loan and Savings Company.....	321
106. An Act respecting certain patents of the Ideal Manufacturing Company.....	323
107. An Act to incorporate the Imperial Guarantee and Accident Insurance Company of Canada.....	325
108. An Act to incorporate the International Bridge and Terminal Company.....	329
109. An Act respecting the Interprovincial and James Bay Railway Company.....	335
110. An Act respecting the James Bay Railway Company.....	337
111. An Act respecting the Joliette and Lake Manuan Colonization Railway Company.....	339
112. An Act respecting a certain patent of Celeste Joly.....	341
113. An Act respecting the Kaslo and Lardo-Duncan Railway Company.....	343
114. An Act respecting the Kingston, Smith's Falls and Ottawa Railway Company.....	345
115. An Act respecting the Kootenay, Cariboo and Pacific Railway Company.....	347
116. An Act respecting the Lake Champlain and St. Lawrence Ship Canal Company.....	349
117. An Act to incorporate the Lebonk and Thunder Bay Railway Company.....	351
118. An Act to incorporate the London and Saint Clair Railway Company.....	353

TABLE OF CONTENTS.

v

(The figures denote the numbers at the bottom of the pages.)

CHAP.	PAGE.
19. An Act respecting the Macleod, Cardston and Montana Railway Company.....	355
20. An Act respecting the Manitoulin and North Shore Railway Company	357
21. An Act for the relief of Clara Bidwell McDermot	399
122. An Act respecting the Medicine Hat and Northern Alberta Railway Company.....	401
123. An Act respecting a certain Patent of the Metal Volatilization Company	403
124. An Act respecting the Molsons Bank.....	405
125. An Act to incorporate the Monarch Bank of Canada.....	407
126. An Act respecting Monterey Electric and Gas Company, Limited, and to change its name to "Monterey Railway, Light and Power Company."	409
127. An Act respecting the Montreal Bridge Company, and to change its name to "The Montreal Bridge and Terminal Company."	411
128. An Act to incorporate the Montreal, Quebec and Southern Railway Company	415
129. An Act respecting the Montreal and Southern Counties Railway Company	417
130. An Act to incorporate the Moosejaw and Edmonton Railway Company.....	419
131. An Act for the relief of Edward Albert Murphy.....	421
132. An Act respecting the Niagara, St. Catharines and Toronto Railway Company	423
133. An Act respecting the Niagara-Welland Power Company	425
134. An Act respecting the Nicola, Kamloops and Similkameen Coal and Railway Company	427
135. An Act respecting the Northern Bank	429
136. An Act to incorporate the Northwest Telephone and Telegraph Company.....	431

(The figures denote the numbers at the bottom of the pages.)

CHAP.	PAGE.
137. An Act to incorporate the Ontario Fire Insurance Company.....	43
138. An Act respecting the Ontario, Hudson's Bay and Western Railways Company.....	44
139. An Act respecting the Ontario and Minnesota Power Company (Limited).....	44
140. An Act respecting the Ottawa Electric Company	44
141. An Act respecting the Ottawa and New York Railway Company	45
142. An Act respecting the Ottawa, Northern and Western Railway Company	45
143. An Act respecting certain patents of David Thomas Owen.....	45
144. An Act to incorporate the Owen Sound and Meaford Railway Company.....	45
145. An Act respecting the Pacific Bank of Canada	45
146. An Act respecting a patent of the Paper Goods Company, Limited	46
147. An Act for the relief of George Pearson.....	46
148. An Act for the relief of Isaac Pitblado	46
149. An Act respecting the Board of the Presbyterian College, Halifax	46
150. An Act for the relief of James Arthur Pryor.....	46
151. An Act to incorporate the Provident Financial Association, Limited	47
152. An Act respecting the Red Deer Valley Railway and Coal Company	47
153. An Act respecting the Regina and Hudson's Bay Railway Company	47
154. An Act respecting the Richmond and Drummond Fire Insurance Company	47

TABLE OF CONTENTS.

vii

(The figures denote the numbers at the bottom of the pages.)

	PAGE.
C ₁ HAP. 155. An Act to incorporate the St. Mary's and Western Ontario Railway Company.....	479
1 156. An Act respecting the Saint Maurice Valley Railway Company.	481
1 157. An Act to incorporate the Saskatchewan Bridge Company.....	483
158. An Act respecting the South Shore Railway Company and the Quebec Southern Railway Company	487
159. An Act to incorporate the Sovereign Fire Assurance Company of Canada.....	489
160. An Act to incorporate the Sterling Bank of Canada	491
161. An Act respecting the Timagami Railway Company, and to change its name to "The Ontario Northern and Timagami Railway Company."	493
162. An Act to incorporate the Title and Trust Company	495
163. An Act respecting the Toronto and Hamilton Railway Company.	501
164. An Act respecting the Toronto and Hamilton Railway Company.	503
165. An Act respecting the Toronto, Hamilton and Buffalo Railway Company	505
166. An Act for the relief of Agnes Hedevig Helga Salusbury Trelawney.....	507
C167. An Act to incorporate "La Compagnie du chemin de fer électrique de Trois-Rivières, St. Maurice, Maskinongé et Champlain."	509
C168. An Act respecting a patent, Number 69772, of the Underwood Typewriter Company.....	513
(169. An Act respecting certain patents of the Underwood Typewriter Company	515
(170. An Act respecting <i>L' Union Saint-Joseph de la cité d' Ottawa</i> , and to change its name to <i>L' Union Saint-Joseph du Canada</i>	517
(171. An Act respecting the Vancouver and Coast-Kootenay Railway Company.....	519
(172. An Act respecting the Vancouver, Victoria and Eastern Railway and Navigation Company	521

TABLE OF CONTENTS.

(The figures denote the numbers at the bottom of the pages.)

CHAP.		PAGE
173.	An Act respecting the Vancouver, Westminster and Yukon Railway Company	52
174.	An Act for the relief of Philip Vibert	56
175.	An Act respecting the Walkerton and Lucknow Railway Company.....	52
176.	An Act respecting the Western Alberta Railway Company.....	5

INDEX

TO

ACTS OF CANADA,

FIRST SESSION, TENTH PARLIAMENT, 4-5 EDWARD VII., 1905.

LOCAL AND PRIVATE ACTS

(The figures denote the numbers at the bottom of the pages.)

	PAGE.
ALBERTA Central Railway Company.....	5
Alberta Railway and Irrigation Company.....	7
Algoma Central and Hudson Bay Railway Company.....	9
Algoma Copper Range Railway Company incorporated.....	53
Annuity Company of Canada incorporated	55
Anthracite Coal Railway Company incorporated	59
Athabaska Northern Railway Company incorporated	61
Athabasca Railway Company incorporated.....	63
Atlantic, Quebec and Western Railway Company incorporated.....	65
BATTLEFORD and Lake Lenore Railway Company incorporated.....	67
Bay of Quinté Railway Company	69
Brandon, Saskatchewan and Hudson's Bay Railway Company.....	71
Brantford and Woodstock Railway Company incorporated.....	73
Brockville, Westport and North-western Railway Company....	75
CALGARY and Battleford Railway Company incorporated.	77
Calgary and Edmonton Railway Company.....	79
Calgary, Red Deer and Battleford Railway Company incorporated.....	83
Canada Atlantic Railway Company.....	3
Canada Central Railway Company.....	85
Canada and Michigan Bridge and Tunnel Company.....	87
Canada Southern Bridge Company.....	89
Canada Southern Railway Company.....	91
Canadian Northern Railway Company.....	93
Canadian Pacific Railway Company.....	95
Canadian West Insurance Company incorporated	97
Canadian Yukon Western Railway Company.....	103
Catholic Mutual Benefit Association of Canada, Grand Council of the..	105
Central Counties Railway Company.	107
Central Railway Company of Canada (name of Ottawa River Railway Company changed to)	109

(The figures denote the numbers at the bottom of the pages.)

	PAGE.
Century Life Insurance Company.....	111
Citizens' Bank of Canada.....	113
Columbia and Western Railway Company.....	115
Crown Casualty Company of Canada incorporated.....	117
DAMEN, William A., patents.....	121
Dominion Atlantic Railway Company	123
Dominion Central Railway Company (name of Kingston and Dominion Central Railway Company changed to)	125
EDMONTON Boom Company incorporated.....	127
Edmonton, Yukon and Pacific Railway Company.....	131
Effront, Jean, patents.....	133
Esquimalt and Nanaimo Railway Company.....	135
FACER Solid Steel Car Wheel Company of Perth, Limited, patents of the.....	137
Farmers Bank of Canada.....	139
Fessenden Wireless Telegraph Company of Canada incorporated.....	141
Fitz-Simons, Jane Marie, divorce.....	145
GEORGIAN Bay and Seaboard Railway Company incorporated.....	147
Gillies Brothers, Limited.....	149
Gold Medal Furniture Manufacturing Company, Limited, patent of the.....	153
Grand Trunk Pacific Railway Company	155
Grand Trunk Railway Company of Canada.....	101
Great Northern Railway of Canada.....	275
Great West Railway Company (name of the North-west Coal and Coke Railway Company changed to).....	311
Guelph and Georgian Bay Railway Company.....	313
HAMILTON, Galt and Guelph Railway Company (name of Hamilton, Galt and Berlin Railway Company changed to).....	315
Harper, George Dance, divorce	317
Hudson's Bay and Pacific Railway Company	319
Huron and Erie Loan and Savings Company.....	321
IDEAL Manufacturing Company, patents of the.....	323
Imperial Guarantee and Accident Insurance Company of Canada incor- porated.....	325
International Bridge and Terminal Company incorporated.....	329
Interprovincial and James Bay Railway Company	335
JAMES Bay Railway Company.....	337
Joliette and Lake Manuan Colonization Railway Company.....	336
Joly, Celeste, patent of.....	341
KASLO and Lardo-Duncan Railway Company.....	343

(The figures denote the numbers at the bottom of the pages.)

	PAGE.
Kingston and Dominion Central Railway Company (name changed to Dominion Central Railway Company).....	125
Kingston, Smith's Falls and Ottawa Railway Company.....	345
Kootenay, Cariboo and Pacific Railway Company.....	347
LAKE Champlain and St. Lawrence Ship Canal Company.....	349
Lebonk and Thunder Bay Railway Company incorporated	351
London and Saint Clair Railway Company incorporated.....	353
MACLEOD, Cardston and Montana Railway Company.....	355
Manitoulin and North Shore Railway Company.....	357
McDermot, Clara Bidwell, divorce.	399
Medicine Hat and Northern Alberta Railway Company.....	401
Metal Volatilization Company, patent of the.....	403
Molsons Bank	405
Monarch Bank of Canada incorporated.....	407
Monterey Railway, Light and Power Company (name of the Monterey Electric and Gas Company, Limited, changed to).....	409
Montreal Bridge and Terminal Company (name of Montreal Bridge Company changed to).....	411
Montreal, Quebec, and Southern Railway Company incorporated.....	415
Montreal and Southern Counties Railway Company	417
Moosejaw and Edmonton Railway Company incorporated.....	419
Murphy, Edward Albert, divorce.....	421
NIAGARA, St. Catharines and Toronto Railway Company.....	423
Niagara-Welland Power Company.....	425
Nicola, Kamloops and Similkameen Coal and Railway Company.....	427
Northern Bank.....	429
North-west Coal and Coke Railway Company (name changed to Great West Railway Company).	311
Northwest Telephone and Telegraph Company incorporated.....	431
ONTARIO Fire Insurance Company incorporated.....	439
Ontario, Hudson's Bay and Western Railway Company.....	443
Ontario and Minnesota Power Company, Limited.....	445
Ontario Northern and Timagami Railway Company (name of Timagami Railway Company changed to).	447
Ottawa Electric Company.....	449
Ottawa and New York Railway Company	451
Ottawa, Northern and Western Railway Company.....	453
Ottawa River Railway Company (name changed to Central Railway Company of Canada).	109
Owen, David Thomas, patents of	455
Owen Sound and Meaford Railway Company incorporated.....	457
PACIFIC Bank of Canada.....	459
Paper Goods Company, Limited, patent of the.....	461
Pearson, George, divorce.	463

(The figures denote the numbers at the bottom of the pages.)

	PAGE.
Pitblado, Isaac, divorce	465
Presbyterian College, Halifax, Board of the	467
Pryor, James Arthur, divorce	469
Provident Financial Association, Limited, incorporated	471
QUEBEC Southern Railway. See South Shore Railway Company.	497
RED Deer Valley Railway and Coal Company	473
Regina and Hudson's Bay Railway Company.. ..	475
Richmond and Drummond Fire Insurance Company	477
ST. MARY'S and Western Ontario Railway Company incorporated..	479
Saint Maurice Valley Railway Company	481
Saskatchewan Bridge Company incorporated	483
South Shore Railway Company and Quebec Southern Railway Com- pany	497
Sovereign Fire Assurance Company of Canada	489
Sterling Bank of Canada.. ..	491
TIMAGAMI Railway Company (name changed to Ontario Northern and Timagami Railway Company)	493
Title and Trust Company incorporated	495
Toronto and Hamilton Railway Company	501, 503
Toronto, Hamilton and Buffalo Railway Company	505
Trelawney, Agnes Hedeveg Helga Salusbury, divorce	507
Trois-Rivières, St. Maurice, Maskinongé et Champlain, la compagnie du chemin de fer électrique de, incorporated	509
UNDERWOOD Typewriter Company, patent number 60772 of the...	513
Underwood Typewriter Company, patents of the	515
Union St. Joseph de la cité d'Ottawa (name changed to L'Union St. Joseph du Canada)	517
VANCOUVER and Coast-Kootenay Railway Company	519
Vancouver, Victoria and Eastern Railway and Navigation Company...	521
Vancouver, Westminster and Yukon Railway Company	525
Vibert, Philip, divorce	527
WALKERTON and Lucknow Railway Company	529
Western Alberta Railway Company	531

Statutes
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Canada. Statutes, Etc.
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